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ABSTRACT

In March 1995, the Mississippi State Department of Education implemented the Home Ties program as a 5-year pilot program at five sites, using federal funds made available through a sub-grant from the Mississippi Department of Human Services (MDHS) and matching funds appropriated by the Mississippi legislature. The program provided intensive, short-term, home-based treatment and services to families with children at imminent risk of placement outside of the home due to problems within the home. Mississippi's Home Ties program was based on a well-defined and extensively researched treatment model. Prior to its implementation in Mississippi, the program had shown positive results in numerous states. In July 1996, MDHS elected to reduce by $149,177 the level of annual federal funding to Mississippi's Home Ties program, which resulted in the closing of two pilot sites. This report by the Mississippi legislature's PEER Committee (Joint Legislative Committee on Performance Evaluation and Expenditure Review) finds that while MDHS's decision to reduce funding did not violate either the federal or state acts under which the program was funded, MDHS's decision was not prudent because the program was only 15 months into a 5-year test period, the legally required evaluation of the program's effectiveness was not complete, and early program data showed that the program was exceeding its goal of preventing out-placement of children in 70 percent of the cases served. The report further finds that MDHS used federal funds taken from the Home Ties program to pay the salaries of MDHS adoption specialist social workers, a use which the federal department of Health and Human Services ruled inappropriate. (Author/EV)

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Report To

The Mississippi Legislature

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A Review of the Department of Human Services' Decision to Reduce the Level of Funding to the Department of Education for Operation of the Home Ties Program for Family Preservation

September 11, 1997

In March 1995, the State Department of Education implemented the Home Ties Program as a five-year pilot program at five sites using federal funds made available through a sub-grant from the Mississippi Department of Human Services (MDHS) and matching funds appropriated by the Legislature. The program provided intensive, short-term, home-based treatment and services to families with children at imminent risk of placement outside of the home due to problems within the home. Mississippi's Home Ties Program was based on a well-defined and extensively researched treatment model. Prior to its implementation in Mississippi, the program had shown positive results in numerous states.

In July 1996, MDHS elected to reduce the level of annual federal funding to Mississippi's Home Ties Program by $149,177, which resulted in the closing of two pilot sites. While MDHS's decision to reduce funding to the Home Ties Program did not violate either the federal or state acts under which the program was funded, MDHS's decision was not prudent because the program was only fifteen months into a five-year test period, the legally required evaluation of the program's effectiveness was not complete, and early program data showed that the program was exceeding its goal of preventing out-placement of children in seventy percent of the cases served. Further, MDHS used federal funds taken from the Home Ties Program to pay the salaries of MDHS adoption specialist social workers, a use which the federal Department of Health and Human Services ruled inappropriate.

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The PEER Committee

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The Committee assigns top priority to written requests from individual legislators and legislative committees. The Committee also considers PEER staff proposals and written requests from state officials and others.

A Review of the Department of Human Services' Decision to Reduce the Level of Funding to the Department of Education for Operation of the Home Ties Program for Family Preservation

September 11, 1997

The PEER Committee

Mississippi Legislature

The Mississippi Legislature

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September 11, 1997

Honorable Kirk Fordice, Governor
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At its meeting of September 11, 1997, the PEER Committee authorized release of the report entitled **A Review of the Department of Human Services' Decision to Reduce the Level of Funding to the Department of Education for Operation of the Home Ties Program for Family Preservation**.

Billy Bowles

Representative Billy Bowles, Chairman

This report does not recommend increased funding or additional staff.

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A Review of the Department of Human Services' Decision to Reduce the Level of Funding to the Department of Education for Operation of the Home Ties Program for Family Preservation

September 11, 1997

Executive Summary

Introduction

PEER reviewed the Mississippi Department of Human Services' July 1996 decision to reduce the level of funding to the Mississippi Department of Education for operation of the Home Ties Program for Family Preservation.

Background

The Mississippi Legislature passed the Family Preservation Act of 1994 in response to the federal Family Preservation and Support Services Act of 1993. One provision of the state act requires the state's Department of Human Services (MDHS) to apply annually for available federal funds to defray expenses for a program of family preservation and support services.

The act requires MDHS to work with the State Department of Education (SDE) to develop a plan for such services and to follow guidelines of the U.S. Department of Health and Human Services for developing such services as a five-year pilot program. The state act mandates that the plan address a wide range of services and programs which affect children at imminent risk of placement outside the home and their families—e.g., child welfare, housing, community-based programs, and social service programs. The act also requires that MDHS conduct ongoing evaluations of family preservation services and file an annual report on such services with the Governor and selected members of the Legislature.

As a result of the state's Family Preservation Act, in September 1994 MDHS entered into an agreement with SDE to develop and implement Mississippi's Home Ties Program. Home Ties was based on the Homebuilders model, a program developed in Washington state in 1974 and implemented with reported success in several states, including Washington, Utah, Tennessee, North Carolina, New Jersey, and Michigan. The program was designed to enable children who are at imminent risk of being placed by the state in temporary custodial care (e.g., foster care, residential facilities) to remain safely in their own homes. SDE sub-contracted operation of the program on a competitive basis to selected public school districts and social service organizations around the state.

Overview

The State Department of Education implemented the Home Ties Program at five pilot sites in March 1995, using federal grant money available through the Family Preservation and Support Services Act of 1993 and state match money from SDE's Education Enhancement Fund.

During its first full year of operation (FFY 1996), $944,769 was expended on the Home Ties Program, including $622,608 in federal funds. In July 1996, MDHS, the state agency charged with responsibility for the distribution of federal funds under the act, elected to reduce the level of annual federal funding to the Home Ties program by $149,177. During its 1996 Regular Session, the Legislature reduced the amount of state funds set aside for the Home Ties program in SDE's appropriation from $300,000 to $100,000; however, SDE had identified $213,811 in in-kind contributions for FFY 97, which were intended to provide the additional $125,000 in state match necessary to draw down the $900,000 in federal funds which SDE requested from MDHS for expansion of the Home Ties program in FFY 97. MDHS's decision to reduce the level of federal funding by $149,177, combined with the $200,000 reduction in state appropriations (i.e., a cash reduction of 38% in state appropriations and federal funds) resulted in SDE's termination of Home Ties pilot programs in Meridian and Greenville.

PEER concluded that MDHS's reduction in funding to the Home Ties Program was legal. Neither the federal Family Preservation and Support Services Act of 1993 nor the state Family Preservation Act of 1994 specifies the amount of Family Preservation and Support Act funds which must be di-

rected to any specific program such as the Home Ties pilot program operated by SDE. State appropriations bills for MDHS and SDE for FY 95 through FY 97 do not specifically mention the Home Ties Program.

However, MDHS's decision to reduce funding to the Home Ties Program was not prudent because:

- the program was based on a treatment model with a relatively long history of improving conditions in the home to reduce the need for out-of-home placements;
- the program was established in Mississippi as a five-year pilot program, but MDHS reduced funding only fifteen months into the program's existence;
- when MDHS made its decision in July 1996, neither the legally required evaluation of the Home Ties Program nor the external review of the program was complete;
- the limited evaluation data that was available showed that the program was highly successful at all five pilot sites in meeting its primary outcome objective of preventing out-of-home placement for at least seventy percent of children served; and,
- MDHS's claimed justifications for reducing funding to the program (e.g., funds could be better spent on MDHS's own in-house family preservation program, the funds were needed to avoid termination of MDHS adoption specialist social workers) were flawed. For example, MDHS did not conduct the research necessary to determine whether its own in-house family preservation program was more cost-effective than the Home Ties Program and MDHS had planned to reduce the level of funding to the Home Ties program operated by SDE before the funding crisis with respect to MDHS's adoption specialist social workers arose.

PEER also found that:

- the Home Ties Program's outcome objectives and five-year plan objectives are not consistently measurable, which will hamper future evaluations of the program;
- the program's annual report does not contain all of the information required by state law; and,
- according to HHS, MDHS's use of family preservation funds for adoption workers' salaries was not an appropriate use of funds under the Family Preservation and Support Services Act.

Recommendations

1. MDHS should ensure the development of program-specific goals and outcome objectives for the Home Ties Program and all other family preservation and support services under its charge. Further, MDHS should actively monitor the success of each program in meeting its goals and objectives. In addition to monitoring program effectiveness, MDHS should develop and actively monitor measures of program economy and efficiency.

2. In its contracts with subgrantees for administration of programs, MDHS should set forth specific criteria by which it will measure the program's effectiveness, economy, and efficiency. In addition, MDHS should include in each contract any other expectations for program administration, such as expectations related to use of funds, staffing levels, salaries, and client referral procedures.

3. MDHS should adhere to requirements in the state's Family Preservation Act for ongoing evaluation of the Home Ties Program, and should, at a minimum, annually provide to the Legislature all of the information required by MISS. CODE ANN. Section 43-51-9. Further, MDHS should provide evaluation results to service providers on a timely basis, as agreed to in Mississippi's five-year plan.

4. Using existing resources, MDHS should conduct a review of social science literature to identify effective family preservation and family support programs. The department should provide the Legislature with a comprehensive report by January 1, 1998, of its findings and proposed statutory language giving MDHS authority to test specific program models.

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A Review of the Department of Human Services' Decision to Reduce the Level of Funding to the Department of Education for Operation of the Home Ties Program for Family Preservation

Introduction

Authority

The PEER Committee, pursuant to the authority granted by MISS. CODE ANN. Section 5-3-57 et seq. (1972), authorized a review of the Mississippi Department of Human Services' July 1996 decision to reduce the level of funding to the Mississippi Department of Education for operation of the Home Ties Program for Family Preservation, hereinafter referred to as the Home Ties Program.

Scope and Purpose

In response to a legislative request, PEER examined whether the Mississippi Department of Human Services' (hereinafter referred to as MDHS) reduction in the level of funding to the State Department of Education (hereinafter referred to as SDE) to operate the Home Ties Program was legal and prudent.

Because the Home Ties Program receives funding from both the federal government and the state of Mississippi, some data upon which this report is based is compiled by federal fiscal year and some by state fiscal year. The federal fiscal year (designated in this report as FFY) runs from October 1 through September 30, while the state of Mississippi's fiscal year (designated as FY) runs from July 1 through June 30. The fiscal years are designated by the year in which the fiscal year ends--e.g., FFY 97 is the federal fiscal year beginning October 1, 1996, and ending September 30, 1997; FY 97 is the state fiscal year beginning July 1, 1996, and ending June 30, 1997.

Method

To assess the legality of MDHS's reduction in the level of funding to the Home Ties Program, PEER examined legal mandates contained in:

- the federal Family Preservation and Support Services Act of 1993 (the source of federal grant money which MDHS sub-granted to SDE for operation of Mississippi's Home Ties Program) and related federal regulations promulgated by the Administration for Children and Families of the U. S. Department of Health and Human Services (hereinafter referred to as HHS), the federal

agency charged by Congress with responsibility for implementation of the federal act;

- the state's Family Preservation Act of 1994 (MISS. CODE ANN. Section 43-51-1 et seq. [1972]); and,

- state appropriations to MDHS and SDE for the period FY 95 through FY 97.

To assess the prudence of the reduction in funding, PEER examined:

- MDHS records related to the reduction in funding (e.g., documents from the review team which considered SDE's FFY 97 request for refunding of the Home Ties Program, related correspondence between MDHS and SDE, SDE's written response to concerns expressed by the review team over SDE's operation of the Home Ties Program, and letters from MDHS regional directors expressing their opinions of the Home Ties Program);

- documents from MDHS, SDE, and local contractual Home Ties service providers containing Home Ties financial and operational information, such as program plans (including Mississippi's five-year plan for implementation of the federal Family Preservation and Support Services Act); monthly and quarterly program data reports; annual reports to the Legislature and to HHS; federal grant applications from MDHS to HHS and sub-grant applications from SDE to MDHS; and statements of program revenues and expenditures;

- documents from selected programs based on the Homebuilders model operating in Tennessee, North Carolina, New Jersey, and Michigan, and from the Behavioral Sciences Institute in Washington State, a nonprofit corporation whose founders developed the prototype for Mississippi's Home Ties Program; and,

- published research on the effectiveness of programs based on the Homebuilders model in other states.

PEER also interviewed the legislator who drafted and introduced the bill (House Bill 1470, 1994 Regular Session) which became the state's Family Preservation Act; special assistant attorneys general assigned to MDHS and SDE; and staff of MDHS, SDE, Jackson State University's Mississippi Urban Research Center, the State Personnel Board, the U. S. Department of Health and Human Services, programs based on the Homebuilders model (in Tennessee, New Jersey, North Carolina, and Michigan), and the Behavioral Sciences Institute in Washington State.

Overview

Mississippi's Home Ties Program is a crisis-oriented, voluntary participation program providing intensive, short-term, home-based treatment and services to families with children at imminent risk of placement outside of the home (e.g., in foster care or residential facilities). The program is based on the Homebuilders model developed in the state of Washington in 1974 and implemented with reported success in states including Tennessee, North Carolina, New Jersey, and Michigan. The objective of the program is to address the problems within the home to such an extent that the child at imminent risk of placement is able to remain safely in his or her own home. Not only is the program intended to save the state money (by avoiding the high costs of out-of-home placement), but also to create a sense of stability and permanence in the child's home environment.

SDE implemented the Home Ties Program at five pilot sites in March 1995, using federal grant money available through the Family Preservation and Support Services Act of 1993 and state match money from SDE's Education Enhancement Fund. During its first full year of operation (FFY 1996), $944,769 was expended on the Home Ties Program, including $622,608 in federal funds. In July 1996, MDHS, the state agency charged with responsibility for the distribution of federal funds under the act, elected to reduce the level of annual federal funding to the Home Ties Program by $149,177. During its 1996 Regular Session, the Legislature reduced the amount of state funds set aside for the Home Ties Program in SDE's appropriation from $300,000 to $100,000; however, SDE had identified $213,811 in in-kind contributions for FFY 97, which were intended to provide the additional $125,000 in state match necessary to draw down the $900,000 in federal funds which SDE requested from MDHS for expansion of the Home Ties Program in FFY 97. MDHS's decision to reduce the level of federal funding by $149,177, combined with the $200,000 reduction in state appropriations (i.e., a cash reduction of thirty-eight percent in state appropriations and federal funds), resulted in SDE's termination of Home Ties pilot programs in Meridian and Greenville.

PEER concluded that MDHS's reduction in funding to the Home Ties Program was legal. Neither the federal Family Preservation and Support Services Act of 1993 nor the state Family Preservation Act of 1994 specifies the amount of Family Preservation and Support Services Act funds which must be directed to any specific program such as the Home Ties pilot program operated by SDE. State appropriations bills for MDHS and SDE for FY 95 through FY 97 do not specifically mention the Home Ties Program.

However, MDHS's decision to reduce funding to the Home Ties Program was not prudent because:

- the program was based on a treatment model with a relatively long history of improving conditions in the home to reduce the need for out-of-home placements;

- the program was established in Mississippi as a five-year pilot program, but MDHS reduced funding only fifteen months into the program's existence;

- when MDHS made its decision in July 1996, neither the legally required evaluation of the Home Ties Program nor the external review of the program was complete;

- the limited evaluation data that was available showed that the program was highly successful at all five pilot sites in meeting its primary outcome objective of preventing out-of-home placement for at least seventy percent of children served; and,

- MDHS's claimed justifications for reducing funding to the program (e.g., funds could be better spent on MDHS's own in-house family preservation program, the funds were needed to avoid termination of MDHS adoption specialist social workers) were flawed. For example, MDHS did not conduct the research necessary to determine whether its own in-house family preservation program was more cost-effective than the Home Ties Program.

PEER also found that:

- the Home Ties Program's outcome objectives and five-year plan objectives are not consistently measurable, which will hamper future evaluations of the program;

- the program's annual report does not contain all of the information required by state law; and,

- MDHS's use of family preservation funds for adoption specialist social workers' salaries is not an appropriate use of funds under the federal Family Preservation and Support Services Act.

Background of Mississippi's Home Ties Program

Purpose and Origin

The Program's Purpose is to Improve Conditions in the Home to Reduce the Need for Outplacement of Children

The purpose of Mississippi's Home Ties Program is to enable children who are at imminent risk of being placed by the state in temporary custodial care (e.g., foster care, residential facilities) to remain safely in their own homes. One purpose of the program is to create a sense of stability and permanence in the child's home environment. Another purpose is to ensure safe placement for the child at the lowest possible cost. According to SDE's FY 95 Home Ties annual report, the average total cost to the state for a child in foster care is $7,358 and the average yearly cost for a child in out-of-state residential treatment is $187,544. The Home Ties Program is intended to minimize use of such out-of-home placements.

Mississippi Modeled Home Ties on the Homebuilders Treatment Model

Mississippi modeled its Home Ties Program after Tennessee's Home Ties Program, which had its origins in the Homebuilders model developed by the founders of the Behavioral Sciences Institute in Tacoma, Washington. The Homebuilders model, which is a type of intensive family preservation service, was originally developed in 1974 for preventing psychiatric hospitalization of mentally ill and severely behaviorally disturbed children and youth. Reports of the program's success in preventing out-of-home placement of such children resulted in adaptations to prevent placement of children resulting from a broader range of child/family problems.

The Homebuilders program is a voluntary participation program which provides intensive (case workers are available twenty four hours per day, seven days per week), short-term (typically four to six weeks), home-based, crisis intervention counseling and support services to at-risk children and their families. In the Homebuilders model, the family and its social support system are the focus of service. Types of services provided to Homebuilders clients include clinical methods such as parenting training, active listening, and problem-management techniques; assistance in obtaining basic necessities such as food, clothing, housing, and transportation; and coordination of other community services such as day care, food stamps, employment training, and medical care. The intensity of the services provided necessitates small active caseloads of two to four families per program specialist.

Research on the Effectiveness of the Homebuilders Model is Cautiously Optimistic

While the effectiveness of the Homebuilders model in improving conditions in the home to reduce the need for out-of-home placements has been extensively researched and evaluated since the program's development in the 1970s, the research findings do not provide conclusive evidence of the program's effectiveness because the research designs used to evaluate the program are still being refined. However, early, limited studies (i.e., studies which are nonexperimental in design and which focus on a single outcome variable: the proportion of children served who remain at home) show sufficient positive results to warrant cautious optimism as to the program's effectiveness and to justify the continued investment of resources in implementation and evaluation of intensive family preservation programs based on the Homebuilders model.

In the foreword to a 1991 compendium of research on intensive family preservation services entitled *Family Preservation Services: Research and Evaluation*, David Fanshel of the Columbia School of Social Work observes:

> *An examination of the contributions of the researchers whose chapters are included reveals that the task of introducing evaluative research in agency settings where the Homebuilder's model is being employed can be daunting. . . .*
>
> *Despite the if's and's and but's that surround all the discussions of outcomes, enough positive findings have emerged to warrant a sense of optimism, expressed in several chapters, that the general thrust of intensive family preservation services has validity even if the specific elements of the Homebuilder's model remain to be tested.*

In research conducted on the Homebuilders model through grants from the Edna McConnell Clark Foundation (which has provided funding for promotion of the model since its beginnings), Peter J. Pecora, Mark W. Fraser and David A. Haapala observed:

> *In spite of limitations present in the literature, the emerging mass of research studies with positive findings cannot be ignored. On balance, the data indicate that family-centered programs and IFPS* [intensive family preservation services] *programs in particular, are successful in preventing placement in 40% to 95% of the cases referred to them. . . Lacking a definitive body of controlled studies, claims of program effectiveness must be viewed cautiously.*

Pecora, Fraser, and Haapala sought to expand the existing research on the Homebuilders model by undertaking a study to explore, among other issues, correlates of service success and failure. They used a quasi-experimental design to collect data from 453 families which had

participated in the program at six pilot sites in Utah and Washington. The researchers found that on average, "93% of the at-risk children receiving family preservation services remained with their families or relatives." Excluding those children placed with relatives brought this percentage down to 92.3%. The researchers also found that treatment success rates declined over time; specifically:

> *67% of the 342 children who were able to be followed for 12 months remained with their families or relatives for all 12 months after the start of family preservation services.*

Pecora, Fraser, and Haapala concluded that the findings from the research project contribute to the "growing confidence and optimism characterizing intensive home-based family preservation programs."

Similarly, based on a true experimental study of New Jersey's pilot Homebuilders-based Family Preservation Services program (i.e., eligible families were randomly assigned to the program or to a traditional community service), researcher Leonard H. Feldman concluded:

> *The New Jersey Family Preservation Program, a Homebuilders model of family-based services, was effective in preventing and delaying placement of children at-risk of placement, when compared to a group of families receiving traditional community services. . . .The net effect of the intervention was greatest for the FPS families between one month and nine months' post-termination. The effect seemed to dissipate after nine months. . . .While demonstrating unequivocally a positive short-term effect for the intervention in terms of placement, the study has raised new questions about the correlates and the predictability of placement. Further study is required to put in context the reduced net effect of the FPS service during the service delivery period and the long term.*

In addition to the published research just described, several states have reported positive results from their programs based on the Homebuilders model. For example, in 1991, Tennessee expanded its eleven Home Ties pilot sites to a statewide program. In the preamble to the act accomplishing this expansion, the Tennessee Legislature noted:

> *In numerous states across the nation, family preservation services have demonstrated unparalleled levels of effectiveness and efficiency in meeting the needs of troubled families, and have, thereby, substantially reduced the number of children requiring out-of-home placement. . . Experiences within those [Tennessee's] pilot projects demonstrate the potential effectiveness, efficiency, and benefits of family preservation services in this state; [t]he time has clearly arrived to expand family preservation services throughout Tennessee. . . .*

Funding and Administration

The Family Preservation and Support Services Act of 1993 Provides Federal Funds for Programs such as Home Ties

In 1993, Congress passed the Family Preservation and Support Services Act (P. L. 103-66; Subpart 2, Title IV-B of the Social Security Act), the purpose of which was to provide states with federal funding ($930 million over the period of FFY 94 through FFY 98) to enable them to coordinate and develop an integrated service system designed to preserve and support families at-risk or in crisis. The federal act defines "preservation services" as services designed to help families at risk or in crisis, and "support services" as community-based services which promote the well-being (i.e., strength and stability) of children and families (see expanded discussion of these service categories on page 19). Because of its crisis orientation in seeking to preserve families, the Home Ties Program qualifies as a family preservation service under this act.

A task force assembled by HHS established the primary goals of family preservation and support services funded through the act to:

- assure the safety of all family members;
- enhance parents' ability to create safe, stable, and nurturing home environments that promote healthy child development;
- assist children and families to resolve crises, connect with necessary and appropriate services, and remain safely together in their homes whenever possible; and,
- improve conditions in the home to reduce the need for out-of-home placement of children, and help children already in out-of-home care to be returned to and be maintained with their families or in another planned, permanent family.

The act bases each state's share of federal funds on the number of children in the state receiving food stamp benefits. Mississippi's expected share of federal funds under the act is $17.1 million, of which the state had received $7,876,865 as of September 30, 1996. HHS designated MDHS the state agency responsible for Mississippi's share of federal grant funds made available under the act. (See Exhibit 1, page 10, for an organization chart.)

The Family Preservation and Support Services Act provides for federal reimbursement equal to 75% of the state's actual service expenses, up to the amount of the state's annual allotment. The act requires states to provide a 25% match for the federal funds. The state match may be in the

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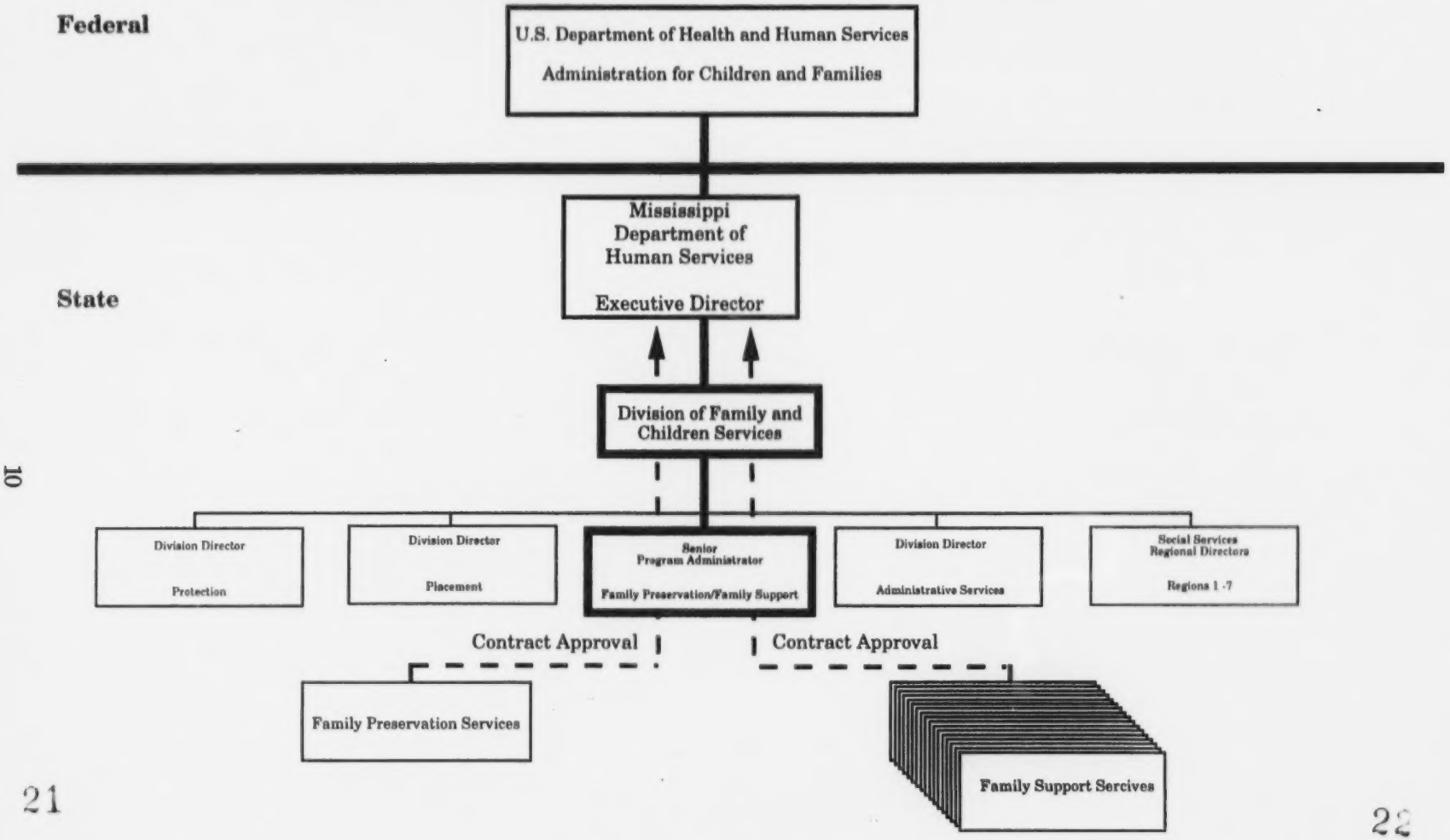
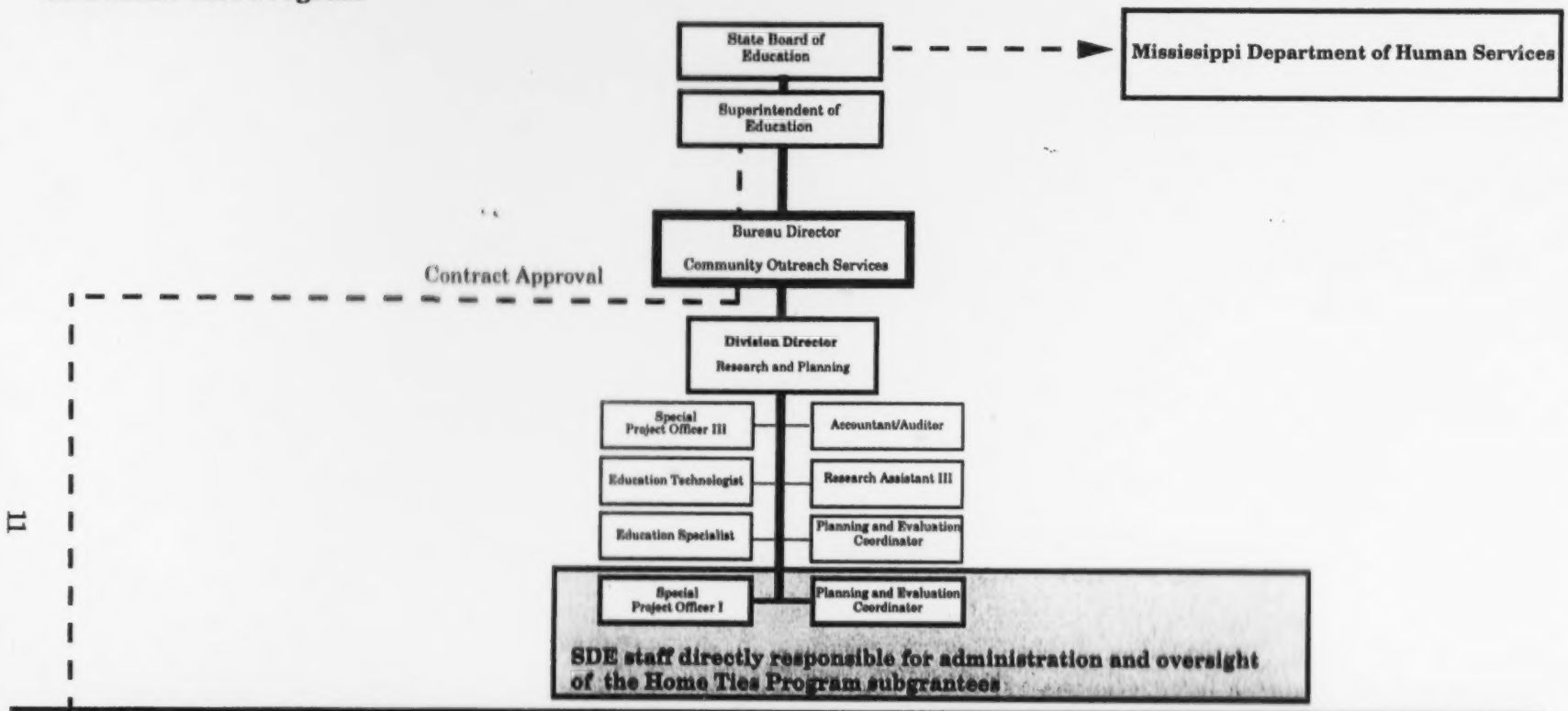
Exhibit 1

Mississippi's Home Ties Program FY 1997 Organization Chart



SDE Home Ties Program



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Home Ties Program Subcontractors

NOTE: Doted line denotes contract approval process.
SOURCE: PEER analysis.

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form of cash, donated funds, or in-kind contributions. The one exception to this matching requirement was the availability of 100% federal money (up to $1 million) for development of a state five-year plan for family preservation and support services. Development of a state plan was a prerequisite to receiving federal funding in subsequent years.

The act allows each state to determine the percentage of federal grant funds which it will allocate to preservation services versus to support services; however, the act stipulates that the percentage of funds allocated to either category of services cannot fall below 25%. In its five-year plan, Mississippi opted to allocate 25% of its federal grant funds available under the act to preservation services and 75% to support services. The Home Ties Program was the only family preservation program which MDHS opted to fund with FFY 94 through FFY 96 federal fund allocations.

The Legislature Mandated Establishment of a Family Preservation and Support Program and Appropriated Matching Funds

Impressed with a news story on the success of Tennessee's Home Ties program in helping at-risk children to remain safely and even thrive in their own home with the assistance of Home Ties workers, a state legislator realized that such a program could be piloted in Mississippi using FFY 94 grant funds from the federal act. The legislator drafted a bill to establish a five-year Home Ties pilot program through SDE, using proceeds from the federal Family Preservation and Support Services Act.

Although the language in the original bill changed during the legislative process, the Legislature passed the state Family Preservation Act (codified as MISS. CODE ANN. Section 43-51-1 [1972] et seq.) during its 1994 Regular Session. The act required that MDHS apply for funding to develop a program of family preservation and support services. SDE's FY 95 appropriation included $288,100 in state match money from the state's Education Enhancement Fund for "the provisions established in House Bill 1873, 1994 Regular Session, for the Family Preservation Act"--i.e., intended for the establishment of a Home Ties pilot program by SDE in Mississippi. (See the organization chart in Exhibit 1, page 10.)

The State's Family Preservation Act of 1994 Intended that MDHS Develop a Program of Family Support and Family Preservation Services Using Available Federal Funds

The state act broadened the definition of the Home Ties Program from the original specific definition contained in the bill as introduced:

> *. . .a program under the State Department of Education of family preservation services that are short-term, highly intensive services designed to protect, treat and support a family with a child at imminent risk of placement by enabling the family to remain intact and care for the child at home.*

to a much more general definition:

> *. . .a program under the State Department of Human Services of family preservation and family support services.*

This change in definition of the Home Ties Program creates a problem in that the Home Ties Program is generally understood by social service practitioners to be a specific intensive family preservation service, but in Mississippi state law, the term "Home Ties Program" takes on a unique meaning that includes all family preservation and support services administered by MDHS. The term, as defined in state law, can, but does not necessarily, include the specific family preservation service known as Home Ties. Throughout the remainder of this report, Home Ties refers to the specific intensive family preservation program rather than the much broader meaning in state law, unless otherwise noted.

In addition to requiring MDHS to apply annually for available federal funds to defray planning and service expenses for a program of family preservation and support services, Mississippi's Family Preservation Act of 1994 required MDHS to work with SDE to develop a plan for such services and to follow HHS guidelines for developing such services as a five-year pilot program. The state act mandated that the plan address numerous services and programs which affect children at imminent risk of placement and their families--e.g., child welfare, housing, community-based programs, and social service programs. The act also required that the state's program of family preservation and support services offer a wide range of services, including, but not limited to:

- crisis resolution;
- teaching measures to prevent the repeated occurrence of abuse, neglect, and/or family conflict;
- education in parenting skills, child development, communication, negotiations, and home maintenance skills;
- child and family advocacy; and,
- job-readiness training.

Further, the act required MDHS to conduct ongoing evaluations of family preservation services and to file an annual report on such services with the Governor and selected members of the Legislature (refer to page 42 for a discussion of the specific items which the law requires MDHS to include in its annual report).

MDHS Contracted with SDE to Establish Home Ties Pilot Sites

In September 1994, MDHS entered into an agreement with SDE to develop and implement Mississippi's Home Ties Program. SDE, in turn, sub-contracted operation of the program on a competitive basis to selected social service organizations in Jackson (Catholic Charities, Inc.), Meridian (Multi-County Community Service Agency, Inc.), and the school districts of Greenville, Gulfport, and Lee County (refer to Exhibit 2 on page 15). SDE selected these sites based on:

- number of out-of-home placements in the proposed service area;
- availability of out-of-home placement services in the proposed service area; and,
- projected social, economic, and educational impact on families targeted for the Home Ties project, if the project was not funded in the proposed services area.

The five pilot sites were operational in March 1995.

Basic Features of Mississippi's Home Ties Program Conform to the Homebuilders Model

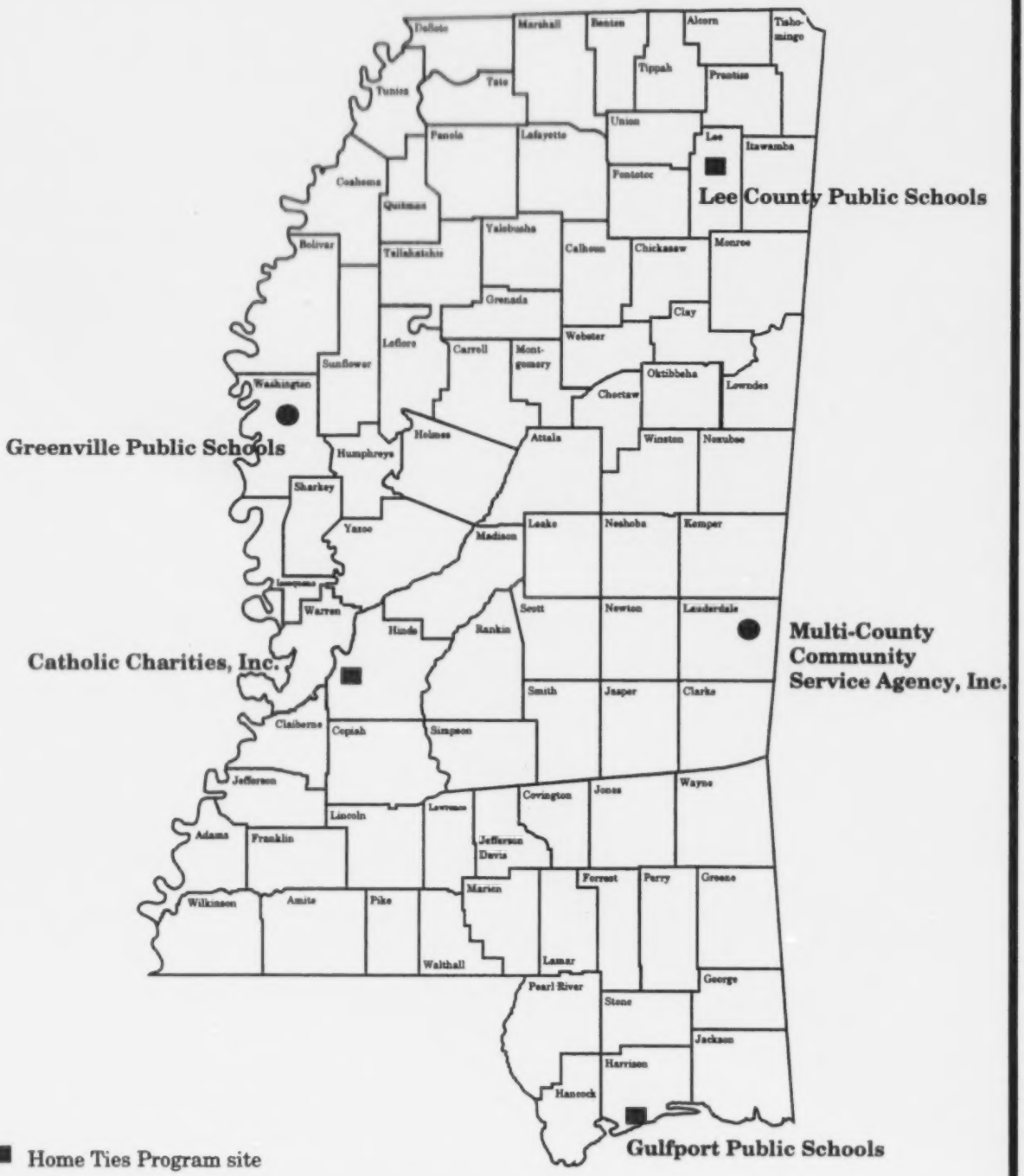
Mississippi's Home Ties Program delivers services to clients for an average of four weeks, with a maximum of six weeks. Program specialists are expected to spend a minimum of twenty hours with each family served.

The program provides a wide range of services similar to those provided by the Homebuilders model (see page 5), including crisis resolution; teaching the family ways to prevent the recurrence of abuse, neglect, and/or family conflict; parenting education; child development training; advocacy; teaching of communication and negotiation skills; teaching of home maintenance skills; provision of services such as helping a family with household and automobile repairs or helping a family to obtain legal aid; and job readiness training. Another critical component of the program is its focus on teaching the family to access local service agencies which can assist them with their ongoing needs after the Home Ties intervention has concluded. An article in the *Delta Democrat Times* contained the following description of the Home Ties pilot program in Greenville:

> *Home Ties social workers have done everything from borrowing trucks to move clients into new housing, to getting quarters to help do laundry. They help with writing a contract between parents and children to establish long-term, realistic goals for the family and getting everyone to agree with them.*

Exhibit 2

Home Ties Program Sites



■ Home Ties Program site

● Home Ties Program site which closed on September 30, 1996 as a result of MDHS' reduction in funds to SDE in FY 1997

SOURCE: PEER analysis of information provided by SDE and MDHS.

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SDE's Bureau of Community and Outreach Services Operates Home Ties and MDHS Has Grant Oversight

Within SDE, the Community and Outreach Services Bureau, a branch of the State Superintendent of Education's Office, administers Mississippi's Home Ties Program. The office is under the supervision of a Special Assistant to the State Superintendent of Education (refer to organization chart on page 10). In March 1995, SDE hired a Home Ties Program Coordinator and Home Ties Program Monitor within the Community and Outreach Services Bureau to provide direct supervision of the five Home Ties pilot sites.

Each of the five Home Ties pilot project sub-grantees hired one Senior Program Specialist and three Program Specialists to administer the program. Program Specialists preferably are licensed social workers and have either a master's degree in education or a related field, or a bachelor's degree with at least two years' teaching experience or experience working with children and families.

MDHS assigned responsibility for administration of the federal Family Preservation and Support Services Act to its Senior Program Administrator for Family Preservation/Family Support within the Division of Family and Children Services. Her responsibilities include coordinating the preparation and submittal of grant applications, providing technical assistance to programmatic staff, coordinating and supervising office staff, and serving as a liaison between MDHS and federal departments which administer grants.

In July 1996, MDHS Reduced the Amount of its FFY 97 Sub-grant to the Home Ties Program by $149,177 from FFY 1996

From FFY 95 through FFY 97, the Home Ties program received a total of $2.1 million, including $1,441,704 in federal funds and $688,100 in state appropriations, as shown in Exhibit 3, page 17. In June 1996, SDE submitted its FFY 97 Home Ties "refunding application" to MDHS, requesting $900,000 (91% of federal funds available to Mississippi for family preservation services in FFY 97). In its application, SDE proposed expanding Home Ties services to include three new pilot sites reportedly in need of such services: Forrest County, Oktibbeha County, and DeSoto County. MDHS made the decision to award SDE only $473,431 for operation of the Home Ties Program in FFY 97 (48% of the federal funds available for family preservation that year). In a letter dated July 9, 1996, the Executive Director of MDHS explained to the State Superintendent of Education MDHS's decision concerning the FFY 97 allocation of family preservation funds, as follows:

> *. . .MDHS is committed to using these funds to provide the most and best services for the children and families of Mississippi. We have a dedicated staff who work very hard researching and evaluating program proposals to ensure*

Exhibit 3

SDE Home Ties Program Revenues and Expenditures
FFY 1995 - FFY 1997*

	March 1, 1995 September 30, 1995	October 1, 1995 September 30, 1996	October 1, 1996 August 31,1997	TOTAL
Revenues				
Federal	$391,905	$622,608	$427,191	$1,441,704
State Appropriations	288,100	300,000	100,000	688,100
Other**	0	22,161	0	22,161
TOTAL	**$680,005**	**$944,769**	**$527,191**	**$2,151,965**
Expenditures				
Federal	$354,174	$622,608	$427,191	$1,403,973
State Appropriations	204,764	298,539	82,924	586,227
Other**	0	22,161	0	22,161
TOTAL	**$558,938**	**$943,308**	**$510,115**	**$2,012,361**
Revenues over expenditures* **	**$121,067**	**$1,461**	**$17,076**	**$139,604**

*The federal act gave the states two years to expend each federal fiscal year allocation. While federal funds were made available under the act for federal fiscal years 1994 through1998, Mississippi did not receive and expend these funds until the second year of the allowed expenditure period--e.g., the funds received and expended during the period March 1, 1995, through September 30, 1995, were FFY 94 funds.

** One-time use of conference fee collections from SDE Fund #3202.

*** Excess represents the amount of state funds which lapsed at year end.

SOURCE: State Department of Education

*that we do acquire quality services. Through the aid of a review team, our judgment that we are unable to justify granting almost a million dollars to the Home Ties Program was confirmed, although the program has been given a sizable grant in the amount of $473,431.**

Meanwhile, in a letter dated July 8, 1996, notifying SDE's Community and Outreach Services Director of the reduced level of funding to the Home Ties Program, MDHS' Family Preservation/Family Support Services Division Director stated:

Knowing that this amount is considerably lower than requested, this office would recommend that perhaps only three of the programs be renewed for the upcoming cycle. However, it is up to you as the program administrative agency as to how this funding should be distributed. Our request is that the program budget be disbursed evenly between sites.

The $149,177 reduction in federal funds to the Home Ties Program, combined with a $200,000 reduction in state appropriations (i.e., a cash reduction of 38% in federal funds and state appropriations; see related discussion on page 21) resulted in SDE's termination of Home Ties pilot programs in Meridian and Greenville.

Findings

Legality of the Funding Reduction

MDHS's reduction in funding to the Home Ties Program was legal.

PEER determined that MDHS's reduction in FFY 97 funding to the Home Ties Program did not violate federal or state law.

The Funding Reduction Does Not Violate the Federal Family Preservation and Support Services Act of 1993

The federal Family Preservation and Support Services Act gave states broad discretion as to the programs and services that they could fund with federal grant dollars. Section 430 of the Family Preservation and Support Services Act; Omnibus Reconciliation Act of 1993 (P. L. 103-66) states that Congress appropriated federal dollars under the act for the purpose of "encouraging and enabling each State to develop and establish, or expand, and to operate a program of family preservation services and community-based family support services." The act defines "family preservation services" as "services for children and families designed to help families (including adoptive and extended families) at risk or in crisis" including:

- service programs designed to help children return to families from which they have been removed or be placed for adoption or in some other permanent living arrangement;
- pre-placement preventive service programs, such as intensive family preservation programs;
- service programs designed to provide follow-up care to families to whom a child has been returned after foster care placement;
- respite care of children to provide temporary relief for parents and other caregivers; and,
- services designed to improve parenting skills.

The act defines "family support services" as community-based services to promote the well-being of children and families, designed to increase the strength and stability of families and to afford children a stable and supportive family environment.

The act requires each state to develop a five-year plan for use of the funds appropriated under the act, working with appropriate public and nonprofit private agencies and community-based organizations with experience in administering programs of services for children and families (including family preservation and family support services). The act

requires the state to prepare annually a description of the family preservation and support service programs to be made available under the plan in the immediately succeeding fiscal year.

The final rule from HHS on the act states that despite requests from the states for HHS to provide model plans, goals, and objectives, "we [i.e., HHS] remain committed to offering States and Tribes maximum flexibility in designing the content of their Child and Family Service Plans." In response to comments from some states that the definition of family preservation services was too vague, HHS responded ". . .we believe that the allocation of dollars should be a State determination."

While Mississippi's Home Ties Program, an intensive family preservation program, clearly qualifies as a program fundable under the act, the act contains no legal mandate to fund the Home Ties Program. The act leaves the decision of which specific programs to fund up to the states.

The Funding Reduction Does Not Violate the State's Family Preservation Act of 1994

The state's Family Preservation Act does not specify funding levels for any family preservation and support services provided thereunder. Further, as previously discussed (refer to page 13), while the state act repeatedly refers to the "Home Ties Program," the definition of the Home Ties Program in the state act (i.e., "a program under the State Department of Human Services of family preservation and family support services") can include but is not equivalent to the intensive family preservation Home Ties Program established by SDE.

Attorneys from the State Attorney General's Office assigned to MDHS are of the opinion that because of the broad definition of the Home Ties Program contained in the state's Family Preservation Act, the act does not obligate MDHS to fund the intensive family preservation Home Ties Program run by SDE. Their interpretation, which is shared by PEER's legal staff, is that the only legal obligation which MDHS had to SDE under the state act was to engage with SDE in a comprehensive family preservation and support services planning process.

The Funding Reduction Does Not Violate the Provisions of SDE or MDHS Appropriations

In addition to the state's Family Preservation Act, PEER reviewed MDHS and SDE appropriations for FY 95 through FY 97 to determine whether they contained any language mandating federal or state funding of the Home Ties Program. The Home Ties Program is not specifically mentioned in these appropriations bills. SDE's FY 95 appropriation (H.B. 1873, 1994 Regular Session) set aside $288,100 in education enhancement funds for "the provisions established in Senate Bill 3349, 1994 Regular Session, for the Family Preservation Act." SDE's FY 96 appropriation (H.B.

1669, 1995 Regular Session) set aside $300,000 in education enhancement funds for "Family Preservation." SDE's FY 97 appropriation (H.B. 1629, 1996 Regular Session) describes the appropriation of funds from SDE's general fund appropriation (rather than from education enhancement funds) for "the Family Preservation Program," but did not specify the amount set aside. According to SDE's Budget Officer, the Legislature earmarked $100,000 in general funds appropriated to SDE and SDE identified $213,811 in in-kind contributions which were intended to provide the additional $125,000 in state match needed to obtain the $900,000 in federal funds requested by SDE for operation of the Home Ties Program in FFY 97.

Prudence of the Funding Reduction

MDHS's decision to reduce funding to the Home Ties Program was not prudent.

MDHS's decision to reduce the level of funding to SDE for the Home Ties Program, effective with its FFY 97 sub-grant, was not prudent because:

- the program was based on a treatment model with a relatively long history of improving conditions in the home to reduce the need for out-of-home placements;

- the program was established as a five-year pilot program at five sites selected on the basis of high out-of-home placement rates. MDHS made its decision to reduce funding to the program, necessitating the closure of two pilot sites, only fifteen months into the program's existence;

- the legally required evaluations of the program were not complete. The external review of the program (a critical component of the evaluation) did not begin until September 1996, two months after the decision to reduce funding had already been made;

- the limited evaluation data that was available on the program indicated that the program was highly successful at all five pilot sites in meeting its primary outcome objective of preventing out-of-home placement for at least seventy percent of children served;

- all of MDHS's claimed justifications for reducing funding to the program (e.g., funds could be better spent on MDHS's own in-house family preservation program, the funds were needed to avoid termination of MDHS adoption specialist social workers) were flawed. For example, MDHS did not conduct the research necessary to determine whether its own in-house family preservation program was more cost-effective than the Home Ties Program, and MDHS had planned to reduce the level of funding to

the Home Ties Program operated by SDE before the funding crisis with respect to MDHS's adoption specialist social workers arose.

As a result of MDHS's reduction in funding to the Home Ties Program, SDE closed its operations in Greenville and Meridian. These were two areas of the state with high concentrations of "at-risk" children who, according to SDE Home Ties Program data, were being effectively served, in terms of improving conditions in the home to reduce the need for out-of-home placement (respective success rates of 99% and 100%), by the Home Ties Program.

Other States Have Implemented the Program with Reported Success

The Homebuilders program, which was the model for Mississippi's Home Ties Program, has been implemented with reported success in states including Washington, Utah, Tennessee, North Carolina, New Jersey and Michigan. As noted on page 6, early, limited studies show sufficient positive results to warrant cautious optimism as to the program's effectiveness and to justify the continued investment of resources in implementation and evaluation of intensive family preservation programs based on the Homebuilders model.

The Program was Established as a Five-Year Pilot/Demonstration Project

Mississippi's Home Ties Program was conceived as a five-year pilot/demonstration project. This is evident in the initial 1994 memorandum of agreement between MDHS and SDE, the purpose of which was "to provide resources needed to implement 'Home Ties' **demonstration projects** [emphasis added] for families who have children who are at-risk of out-of-home placement." This same memorandum of agreement stated that "the State Department of Education and the Department of Human Services will work cooperatively to implement the Family Preservation Act Five Year Plan." Further, the memorandum was signed "for the time period beginning October 1, 1994, and ending September 30, 1999." With the funding available during the first program year, SDE established pilot sites at five locations, based on high rates of out-of-home placement (see discussion on page 14).

In September 1995, MDHS modified its initial five-year agreement with SDE for performance of specific activities described in the memorandum of agreement. The modification changed the period of performance to October 1, 1995, through September 30, 1996.

The state's Family Preservation Act expresses the same five-year pilot program language as the original memorandum of agreement, referring to the development of the Home Ties Program (albeit the broader

definition of Home Ties contained in state law; refer to discussion on page 13) as a five-year pilot program.

The purpose of a demonstration/pilot project is to allow for objective evaluation of the effectiveness of a project in achieving its intended outcome at the end of a specified period (in this case, five years). The time frame of a demonstration project must be sufficient to allow the program to address any start-up problems--i.e., long enough for the program to demonstrate its effectiveness in a fully operational state. Not only must the service delivery components of the program be fully in place, but the evaluative structure by which the program will be judged must also be fully implemented.

At the time that MDHS made its decision to reduce funding to the Home Ties Program (fifteen months into its existence), the basic service components were in place (i.e., all five sites were operating), but the evaluative structure was still in a developmental stage. In July 1996, the external review component of the Home Ties evaluation, under contract to Jackson State University's Mississippi Urban Research Center (see discussion on page 25), was still in the planning stages. This component of the Home Ties project evaluation structure was critical because it was the first time that an independent third party was to determine whether the evaluation efforts undertaken by SDE and MDHS were valid and reliable indicators of the effectiveness of the Home Ties Program.

MDHS Reduced Funding to Home Ties Before the Required Evaluations Were Completed

As noted in the previous section, MDHS made its decision to reduce funding to the program while the evaluative component of the pilot program was still in development and while the external review component was still in the planning stages. In the case of Mississippi's Home Ties Program, evaluation is mandated not only by good public administration practices, but also by federal and state law. (See Appendix A, page 39, for a discussion of the purpose and components of evaluation.)

Federal and State Requirements for Evaluation of Home Ties

The federal Family Preservation and Support Services Act of 1993 requires evaluation of programs funded thereunder, such as Mississippi's Home Ties Program. In order to fulfill the requirements for receiving federal funds under the act, states must take specific evaluation steps and include detailed information in their five-year plans. Rules of the federal Administration for Children and Families require that each five-year plan goal be accompanied by objectives which:

- are realistic, specific, quantifiable, and measurable;
- are tied to the goal;

- focus on outcomes for children, youth, and/or their families or on elements of service delivery (such as quality) that are linked to outcomes in important ways;

- include interim benchmarks and a long-term timetable, as appropriate for achieving the objective.

These rules require each plan to describe the methods to be used in measuring progress toward meeting stated goals and objectives and to specify the "processes and procedures assuring the production of valid and reliable data and information." The rules also require that the data and information provide a basis for determining whether the interim benchmarks and multiyear timetable for accomplishing goals and objectives are being met.

The Quality Assurance section of Mississippi's Five-Year Plan for Family Preservation and Family Support Services states that programs developed thereunder must identify specific benchmarks that will indicate whether programs are progressing toward their goals. The plan requires mechanisms to assure that feedback will directly inform program administrators of needed changes in a timely manner. The plan also states that "all programs should seek external review."

Mississippi's Family Preservation Act (MISS. CODE ANN. Section 43-51-9) requires MDHS to conduct "ongoing evaluations of family preservation services" (which includes the Home Ties Program) and to submit a report, on or before December 31 of each year, to the Governor and Legislature which includes certain information specified in the law. (See page 34 for related discussion).

MDHS Did Not Complete the Required Evaluations Before Deciding to Reduce Funding

While both Mississippi's FFY 94 application for federal grant funds under the Family Preservation and Support Services Act and the state's Five-Year Plan for Family Preservation/Family Support Services contain goals and objectives for all services funded under the act, these objectives are not consistently measurable or properly integrated (see page 31).

During the first year of program implementation, MDHS provided financial oversight of the Home Ties Program in terms of checking for compliance with rules governing the expenditure of federal grant funds, but provided no programmatic oversight. During the period leading up to MDHS's decision to reduce funding to the program, MDHS's Program Integrity Unit never conducted a review of the Home Ties Program. It was not until March 1996 that MDHS requested SDE to send copies of all monthly reports from the Home Ties Program. Prior to making its July 1996 decision, the only program oversight which MDHS provided consisted of:

- collecting monthly and quarterly Home Ties Program reports from SDE;

- one "brief" site visit (with no standardized observation program or collection of data) by MDHS's Family Preservation/Family Support Division Director to the Tupelo and Meridian Home Ties Program offices; and,

- non-standardized field observations by MDHS social workers of those families involved in the Home Ties Program who are also being served by MDHS social workers and verbal communication of these social workers with their regional directors.

Prior to making the decision to reduce funding to the Home Ties Program, MDHS asked each regional director to submit a letter containing observations and recommendations concerning the Home Ties Program operating in their district. These opinion letters are not adequate documentation of the effectiveness of the Home Ties Program. Further, comments in the letters suggest a need for greater program oversight by MDHS, rather than justification for a reduction in program funding.

MDHS had contracted with Jackson State University's Mississippi Urban Research Center for the amount of $46,100 through August 31, 1996, for the planning of the program evaluation of the Home Ties Program as well as of the seventeen family support services programs funded through the Family Preservation and Support Services Act. The evaluation was scheduled to be implemented beginning September 1, 1996, and ending August 31, 1997, at a contracted cost of $236,846. That is, the evaluation was scheduled to begin two months *after* MDHS made its decision to reduce funding.

Thus, due to the fact that neither the internal nor external evaluations of the program had been completed prior to July 1996, MDHS did not have sufficient evaluative data on the success of the Home Ties Program to justify a reduction in funding. (See Exhibit 4, page 26, for a chronology of events concerning the funding reduction.)

Limited Evaluative Data Available Prior to MDHS's Funding Reduction Decision Showed Program Success at All Pilot Sites

In its FFY 1997 "Refunding Application" to MDHS for the Home Ties Program, SDE provided a response to MDHS's request for a description of the impact Home Ties has had on each community. In summary, the data reported showed that the percentage of at-risk children for whom out-of-home placement has been avoided through participation in the Home Ties Program breaks down as follows on page 28:

Exhibit 4

Chronology of Events Related to Mississippi's Implementation of the Family Preservation Act of 1994

DATE	EVENT
August 1993	Congress amends Title IV-B of the Social Security Act, Subpart 2, Family Preservation and Support Services; Omnibus Budget Reconciliation Act of 1993 authorizing $930 million in federal funds to states over a five-year period for preventive services (family support services) and services to families at risk or in crisis (family preservation services).
April 1994	The Mississippi Legislature passes the Family Preservation Act of 1994 requiring MDHS to work with SDE to participate in a comprehensive planning process for a program of family preservation and support services.
	The Mississippi Legislature allocates $288,100 to SDE in its FY 1995 appropriation bill (H.B. 1873) for provisions established in the Family Preservation Act of 1994.
September 1994	MDHS submits a grant application to the U. S. Department of Health and Human Services to use the first year's allocation of $1,155,208 for development of the state's five-year plan for family preservation and support services and for provision of Home Ties services.
	MDHS enters into an agreement with SDE to provide resources to implement the Home Ties Program.
	SDE begins implementation of the Home Ties Program which is based on a model developed by the Homebuilders Behavioral Sciences Institute in Tacoma, Washington.
November 1994	SDE issues a request for proposals based on the provisions of the federal grant application and the agreement with MDHS for the delivery of Home Ties Program services. SDE staff evaluate nineteen applications submitted by community and educational entities throughout the state.
March 1995	MDHS enters into a contractual agreement with Mississippi State University's Social Science Research Center to develop a five-year plan for family preservation and support services. MDHS awards $525,000 to MSU to perform services from April 1, 1995, through September 30, 1995.
	The five Home Ties pilot sites selected from the nineteen applications became operational.
April 1995	The Mississippi Legislature allocates $300,000 to SDE in its Fiscal Year 1996 appropriation bill (H.B. 1669) for the family preservation program.

Exhibit 4 (continued)

DATE	EVENT
August 1995	The U. S. Department of Health and Human Services approves the state's five-year plan.
October 1995	MDHS awards twenty-five percent of federal funds available under the federal act to SDE for the continuation of the Home Ties Program in FFY 1996.
April 1996	MDHS requests SDE provide a tentative Home Ties plan for the upcoming program year.
May 1996	MDHS contracts with JSU in the amount of $46,100 through August 31, 1996, for the planning of the program evaluation for the family support and Home Ties programs. The evaluation plan is scheduled to be implemented beginning September 1, 1996, and ending August 31, 1997. The contract amount for program evaluation implementation is $236,846.
June 1996	SDE submits an application to MDHS for the continuation of the Home Ties Program. SDE requests $900,000 in federal funds for FFY 1997.
July 1996	MDHS awards $473,431 in federal funds to SDE for the continuation of the Home Ties Program in FFY 1997.
November 1996	MDHS and SDE enter into a contractual agreement for implementation of the Home Ties Program for the period beginning October 1, 1996, and ending September 30, 1997. MDHS considers using $477,000 in family preservation funds for salaries of fourteen adoption specialist social workers.
May 1997	U. S. Department of Health and Human Services notifies MDHS that its use of $477,000 in family preservation funds for fourteen MDHS adoption specialist social workers violates federal law. MDHS states that it stops using federal family preservation funds for salaries of MDHS adoption specialist social workers effective May 30, 1997.

SOURCE: PEER analysis of information provided by SDE and MDHS.

Pilot Site	% of At-risk Children Remaining in the Home (Program Goal = 70%)
Catholic Charities	100%
Greenville Public Schools	99%
Multi-County Community Service Agency, Inc.	100%
Gulfport School District	100%
Lee County School District	97%
All sites combined	99%

Thus, on its face, the data showed that the Home Ties Program had been highly successful in its first program year.

MDHS's Stated Reasons for Reducing Funding to the Home Ties Program were Flawed

During the course of PEER's review, MDHS offered numerous explanations for its decision to reduce funding to the Home Ties Program. Its explanations included the following:

- MDHS staff determined, through research and evaluation, that allowing the Home Ties Program to continue at its FFY 96 funding level was not the best use of family preservation funds available under the Family Preservation and Support Services Act;
- MDHS shifted Home Ties funds to cover an emergency--i.e., the loss of federal funds to pay the salaries of MDHS adoption specialist social workers;
- client caseloads at two of the pilot sites were too low;
- SDE was wasteful in running the Home Ties Program; and,
- MDHS staff argued that SDE's failure to submit financial reports in a timely manner resulted in the loss of $60,000 in federal funds.

The following sections address the flaws in each of MDHS's explanations.

MDHS Did Not Conduct the Research Necessary to Determine Whether Its Funding Reductions were the Best Use of Funds

In its July 9, 1996, letter notifying SDE of the reduced level of funding to the Home Ties Program, MDHS implied that the decision to move the money from the Home Ties Program to the Hinds County family preservation project was based on evaluation (refer to page 16). However,

according to MDHS staff, MDHS did not conduct the research necessary to determine whether its own in-house family preservation program was more cost-effective than the Home Ties Program.

MDHS Planned the Funding Reduction Before Deciding to Use the Funds to Pay Salaries of Adoption Specialist Social Workers

MDHS claims that it shifted the Home Ties funds because of the emergency situation created when, as a result of passage of the Welfare Reform Act in 1996, MDHS lost federal block grant monies which it had been using to pay the salaries of its fourteen adoption specialist social workers.

In fact, MDHS had planned to shift the same amount of Home Ties funds to the Hinds County in-house family preservation project before the "emergency" situation arose. While MDHS eventually used the money in November 1996 to fund MDHS adoption specialist social workers whose positions were threatened by a 15% reduction in federal social service block grant funds, in July 1996, according to MDHS staff, MDHS had already decided to shift the $149,177 in federal Home Ties funds to a longer term (twenty-one-week) in-house family preservation program, because it believed that this program was more successful than the Home Ties Program (although MDHS was unable to provide PEER with empirical data to support this claim). Therefore, the fact that MDHS needed to find an alternative source of funds to pay the salaries of some of its adoption specialist social workers was just a "new reason" to support a decision which MDHS had already made to reduce funding to the Home Ties Program.

Also, during the course of its review, PEER determined through contact with HHS that MDHS's use of family preservation service funds to pay for MDHS adoption specialist social workers was inappropriate because the primary duty of these workers (i.e., to find adoptive homes) did not qualify as family preservation services, which would include helping to maintain (versus to create) adoptive families. (See Appendix B, page 40, which shows HHS's June 26, 1997, letter to MDHS explaining the inappropriateness of MDHS's use of family preservation funds for adoption specialist social workers.)

MDHS Staff's Argument that the Home Ties Caseloads were Too Low Violates the Homebuilders Model

In explaining the decision to reduce funding to the Home Ties Program, MDHS staff said that the caseloads at two of the sites were too low. However, the Homebuilders model on which the Home Ties Program is based is premised on small caseloads of two to four clients per worker. Further, PEER found no records showing that MDHS had attempted to determine whether there was justification for relatively lower caseloads at some of the sites. Cases can vary significantly in terms of severity, as noted

in the April 1996 monthly report from the Home Ties Program in Gulfport: "It has been ascertained by the staff that the Homebuilders premise is true: A caseload of two is all one specialist can maintain in cases of high intensity and critical crisis."

MDHS Staff Argued that SDE's Failure to Submit Financial Reports in a Timely Manner Resulted in Loss of $60,000 in Federal Funds

In support of their decision to reduce the amount of the FFY 97 subgrant to SDE, MDHS staff also said that SDE had not submitted financial reports on time, resulting in a loss of approximately $60,000 in federal funds at the close of FFY 96. SDE attributed the problem to MDHS's failure to provide written notification of financial report content and submission deadlines. MDHS claims that SDE should have known about the reporting deadline through language contained in applicable state and federal laws and regulations, the Home Ties contract between MDHS and SDE, and MDHS's sub-grantee manual.*

SDE was Wasteful in Running the Home Ties Program

In support of the argument to reduce the level of FFY 97 federal funding to SDE, MDHS staff stated that the Home Ties pilot programs were being operated inefficiently. On July 8, 1996, after the MDHS proposal team reviewed SDE's FFY 97 Home Ties Program budget request, MDHS asked SDE to reduce program costs by:

- reducing mileage "considerably;"
- capping salaries;
- possibly reducing staff; and,
- making budgets for each Home Ties Program uniform.

However, MDHS failed to provide the criteria which were the basis for making these requests. Further, MDHS reduced Home Ties Program funding prior to receiving a response from SDE addressing each of the proposal review team's concerns.

* In fact, no federal funds were "lost" as a result of the reporting issue, and the burden of clearly communicating the financial reporting deadline was on MDHS. As discussed in PEER's clarification of issues in MDHS's response, the documents cited by MDHS did not clearly communicate SDE's financial reporting deadline.

Related Findings

Mississippi's Home Ties Program outcome objectives and five-year plan objectives are not consistently measurable or properly integrated, a condition which will hamper future evaluations of the program.

Mississippi's application for FFY 94 funding under the Family Preservation and Support Services Act included the following list of "outcome objectives" for the proposed Home Ties Program:

- to engage the family within twenty-four hours of referral and obtain their willingness to participate;
- to diffuse the potential for violence and ensure the safety of all family members;
- to assess and prioritize the family's strengths/deficiencies and present options for addressing them, as well as cooperatively develop two to four treatment goals;
- to present options for working on treatment goals;
- to utilize a cognitive behavioral approach and teach individualized problem-solving skills that can be used by family members to respond to and manage crisis more effectively;
- to increase overall family functioning in the areas of personal maintenance, communications, and problem solving skills;
- to refer the family to appropriate resources for longer term support of behavior change, if necessary; and,
- to prevent out-of-home placement for at least seventy percent of the "at-risk children" served, for a minimum of six months following termination of services.

Mississippi's Five-Year Plan for Family Preservation/Family Support Services was developed the following year. This plan also contained goals and "measurable" objectives for all services funded under the federal act, including the Home Ties Program (refer to Exhibit 5 on page 32.)

Most of the stated objectives for the Home Ties Program, as well as the five-year plan objectives, need refinement in order to be measurable and to be valid and reliable indicators of Home Ties Program success. An example of an objective which is not measurable, as stated, is the Home Ties objective of "diffusing the potential for violence and ensuring the safety of all family members." This objective does not state how success in diffusing the potential for violence or ensuring safety will be measured or

Exhibit 5

Goals and Objectives Contained in Mississippi's Five-Year Plan for Family Preservation and Support Services
[goals are in bold print]

Protect children from abuse and neglect

- increase the number of families participating in voluntary home visiting programs
- increase the number of family resource centers
- increase the number of parenting programs
- increase the number of staff participating in cross-agency training on child abuse and neglect
- increase the number of community awareness programs on child abuse and neglect

Strengthen families and communities in a manner that will contribute to a healthy and safe environment for all children

- educate the community about healthy families
- educate the community about services
- develop community-based mechanisms to address local needs
- develop an information and referral system to link consumers with needed services

Expand a continuum of services for family and children to promote and support family-building

- develop continuous networks of community stakeholders and actors who will contribute to the development of strong families and communities
- promote the development of community-based, comprehensive family preservation services which:
    - reunite children with their biological families or place them for adoption,
    - prevent the placement of children in foster care,
    - provide follow-up services for families after a child has been returned from foster care and
    - provide respite care for temporary relief for parents and other caregivers, including foster parents

Exhibit 5 (continued)

- promote the development of community-based, comprehensive family support services which:
  - promote the well-being of children and families
  - increase the strength and stability of families
  - increase parents' competence
  - provide a stable and supportive family environment
  - develop drop-in services for families

SOURCE: *The Mississippi 5-Year Plan for Family Preservation and Family Support Services*, as submitted to HHS on June 26, 1995.

provide a time frame for its achievement. In fact the "objective" is really more of a goal, one objective of which could be to reduce the number of substantiated reported cases of violence/abuse by x% by x target date. In another example, the Home Ties objective of "presenting options for working on treatment goals" does not state how many options should be presented to each family participating in the program. None of the five-year plan objectives (e.g., promote the well-being of children and families, provide follow-up services for families) are stated in measurable terms--i.e., with a specific target amount or percentage increase of a relevant indicator and a specific time frame for accomplishment.

In addition to the above-discussed measurement problems related to stated Home Ties objectives, there is the problem of failure to link the Home Ties outcome objectives listed on page 32 to five-year plan goals and objectives. Because a state's five-year plan is the governing plan for all state services funded under the Family Preservation and Support Services Act, the goals and objectives of specific programs and services, such as Home Ties, must be linked to the master plan. Therefore, Home Ties Program goals and objectives should be stated in terms of the master plan goals which they seek to address.

Further, because the state's Family Preservation Act requires the reporting of specific evaluation data on family preservation programs (see discussion below), outcome objectives of the Home Ties Program should be stated in such a manner as to require the collection and analysis of the evaluation data specified in state law. For example, one measurable objective of the Home Ties Program is to "prevent out-of-home placement for at least 70% of the 'at risk children' served, for a minimum of six months following the termination of services." (According to SDE Home Ties Program monitoring staff, they adopted this 70% objective from Tennessee's Home Ties Program.) While this is at least a measurable objective of Home Ties Program effectiveness, the measure could be refined to include the duration of out-placement prevention specified in state law which must be reported to the Legislature annually--i.e., one, two, and three years following completion of Home Ties Program participation.

Because MDHS failed to establish clear, measurable program objectives and failed to evaluate the program on an ongoing basis as required by good management practice and state law, the department was unable to document the effectiveness (or lack thereof) of the Home Ties Program. Thus it did not have sufficient information with which to make a prudent decision regarding reduction of funding to the program.

MDHS's annual report to the Governor and Legislature on family preservation services does not contain all of the information required by state law.

Mississippi's Family Preservation Act (MISS. CODE ANN. Section 43-51-9) requires MDHS to conduct "ongoing evaluations of family preservation services" (which includes the Home Ties Program) and to submit a report,

on or before December 31 of each year, to the Governor and Legislature which includes specified items of information (see Appendix C, page 42.)

PEER reviewed MDHS's "Family Preservation and Family Support Services Annual Report" which was submitted during the 1997 Regular Session and determined that the report on the preceding program year failed to include the following data required by MISS. CODE ANN. Section 43-51-9 (1972):

- the number of families receiving family preservation services;
- the number of children at imminent risk of placement before initiation of service in families receiving services;
- the estimated cost of out-of-home placement through foster care, group homes or other facilities, which would otherwise have been expended on children who have successfully remained with their families as a result of the program, based on average lengths of stay and average costs;
- the number of children who remain unified with their families for one, two, and three years; and,
- recommendations for improvement.

Without the timely receipt of essential program information, MDHS officials and other decisionmakers cannot make objective, informed decisions about a program's effectiveness or efficiency.

According to HHS, MDHS's use of $477,000 in federal family preservation funds for fourteen adoption specialist social workers' salaries is not an appropriate use of funds under the Family Preservation and Support Services Act.

On August 22, 1996, President Clinton signed into law the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (commonly called the federal Welfare Reform Act). Passage of the act resulted in a fifteen percent reduction (from $28,533,584 to $24,263,738) in Mississippi's allocation of social services block grant funds. This $4,269,846 loss in Mississippi's grant award created a $1,441,033 deficit in the Division of Family and Children's Services FY 97 budget. To avoid implementing a reduction in force or freeze in the hiring of social workers, in November 1996, MDHS managers decided to use approximately $477,000 in federal family preservation funds for salaries of fourteen adoption specialist social workers.

HHS's regional administrator of the Administration for Children and Families ruled that MDHS's use of family preservation funds to pay the salaries of MDHS adoption specialist social workers violated the requirement that such funds be used to preserve (versus create) families,

including adoptive families. In a letter dated June 26, 1997, the regional HHS administrator informed MDHS's Executive Director that:

> *. . .it is appropriate to use family preservation funds for the purpose of* ***preventing adoption disruptions****. However, it is not the intent of this legislation to use Family Preservation and Support Service funds for traditional adoption services...."Placing children for adoption" was included as a family preservation service in the Mississippi Five-Year Child and Family Services Plan. We approved the plan without that realization. Now that this situation has surfaced, we must inform you of the necessary future adjustment in your funding allocations.*

Although HHS is not demanding repayment of the funds, the Regional Administrator requested MDHS to adjust its future fund allocations accordingly and cease using federal family preservation funds to pay for the adoption specialist social worker salaries. No repayment of federal funds has been required since HHS approved MDHS's five-year plan, which included "placing children for adoption." MDHS staff stated that effective May 30, 1997, they discontinued use of family preservation funds to pay adoption specialist social workers' salaries, in compliance with HHS's directive.

Update

MDHS's FFY 98 request for proposals for family preservation funds effectively terminates funding to the Home Ties Program based on the Homebuilders model. The request for proposals calls for a twenty-week program (rather than the four to six weeks characteristic of the Homebuilders model). The proposed program's other departures from the Homebuilders model include:

- no requirement for program specialists to meet with the client family within twenty-four hours of the referral;
- no requirement for program staff to be available twenty-four hours a day, seven days a week; and,
- program specialists may have up to a nine-family caseload (versus the two- to four-family caseload characteristic of the Homebuilders model).

HHS does not know whether federal funding under the Family Preservation and Support Services Act of 1993 will continue past the original five-year period. This decision will partially hinge on the outcome of the federal evaluation of the act's effectiveness.

Recommendations

1. MDHS should ensure the development of program-specific goals and outcome objectives for the Home Ties Program and all other family preservation and support services under its charge. Further, MDHS should actively monitor the success of each program in meeting its goals and objectives. In addition to monitoring program effectiveness, MDHS should develop and actively monitor measures of program economy and efficiency.

2. In its contracts with subgrantees for administration of programs, MDHS should set forth specific criteria by which it will measure the program's effectiveness, economy, and efficiency. In addition, MDHS should include in each contract any other expectations for program administration, such as expectations related to use of funds, staffing levels, salaries, and client referral procedures.

3. MDHS should adhere to requirements in the state's Family Preservation Act for ongoing evaluation of the Home Ties Program, and should, at a minimum, annually provide to the Legislature all of the information required by MISS. CODE ANN. Section 43-51-9. Further, MDHS should provide evaluation results to service providers on a timely basis, as agreed to in Mississippi's five-year plan.

4. Using existing resources, MDHS should conduct a review of social science literature to identify effective family preservation and family support programs. The department should provide the Legislature with a comprehensive report by January 1, 1998, of its findings and proposed statutory language giving MDHS authority to test specific program models.

Appendix A
Purpose and Components of Evaluation

What is evaluation?

The purpose of evaluation is to assess and thereby improve the efficiency and effectiveness of a program.

Evaluation refers to "the process of determining the merit, worth, or value of something." In the context of evaluation of government programs, such as the Home Ties program, social scientists Rossi and Freeman define evaluation as "the systematic collection, analysis, and interpretation of information to answer questions about the efficiency and effectiveness of program implementation and impact, using the principles and methods of social science research."

Evaluation is critical to the good stewardship of government resources. Evaluations enable decisionmakers to fine-tune public programs by documenting where improvements are needed. Evaluations also provide decisionmakers with the information needed to determine objectively and compare the efficiency and effectiveness of government programs and thereby make prudent, informed decisions as to resource allocation.

What are the essential components of an evaluation?

Evaluation should begin with establishment of clear, comprehensive goals and objectives that address service needs.

In order to create the database necessary to conduct an evaluation, program managers must lay the foundation for evaluation at the time of program conception and creation. A prerequisite to evaluation is the establishment of clear and comprehensive program goals and measurable objectives that address service needs at the time that the program is being planned. Goals state the purposes of the program in broad terms, while objectives are measurable (both in quantity and time frame) statements of expected program outcomes (i.e., effects). An objective is a gauge for measuring progress in meeting goals. Goals and objectives dictate the type of data which must be collected and monitored in order to later assess the success of the program in achieving its intended results as efficiently as possible.

Once meaningful program goals, objectives and efficiency measures have been established, it is necessary to establish a system which collects the data necessary to measure program success and analyzes the data on an ongoing basis. It is also necessary to identify and collect, prior to program implementation, data which will serve as the baseline for gauging program success or failure.

Program results are not the only focus of evaluation. In order to evaluate the efficiency of a program in meeting intended results, measures of work effort and work product must also be established at the time of program creation. For example, in the case of the Home Ties Program, it is critical to collect and analyze data showing the amount of resources (i.e., administrative costs) applied to each component of each case (e.g., staff hours spent providing each service, by type) as well as data showing the outcome of each service component.

SOURCE: PEER analysis of *Evaluation Thesaurus* by Michael Scriven (Fourth Edition) and *Evaluation Research Methods: A Basic Guide* edited by Leonard Rutman (Second Edition).

Appendix B

Letter from HHS to MDHS Explaining Why the Department's Use of Family Preservation Funds for Adoption Workers is Inappropriate

June 26, 1997

ADMINISTRATION FOR CHILDREN AND FAMILIES
101 Marietta Tower, Suite 821
Atlanta, Georgia 30323

Mr. Donald R. Taylor
Executive Director
Department of Human Services
750 North State Street
Jackson, Mississippi 39202

Dear Mr. Taylor:

We offer the following clarification on the use of title IV-B, Subpart 2, Family Preservation and Support Services funds in response to your letter dated June 11, 1997.

The Mississippi Department of Human Services (MDHS) has recently begun to use Federal Family Preservation and Support Services funds to provide adoption services. As stated in your letter, MDHS allocates these funds in this manner based on the background information contained in ACYF-PI-CB-95-17, dated June 8, 1995. This Program Instruction includes the following statement:

> These services are guided by a set of principles which aim to: . . . avoid the unnecessary out-of-home placement of children and help children already in out-of-home care to be returned to and maintained with their families, or in another planned, permanent living arrangement; ...

We must consider the intent of the law rather than the literal language when applying the above statement. The overall intent is to provide families with services that will assist them in caring for their children in their own homes if at all possible. If that is not possible, then we are to help them provide alternative living situations preferably with extended family members, and as a last resort in other "planned, permanent living arrangements." Adoption can be one such arrangement, but the emphasis is on the "maintained with" in reference to adoption. In other words, it is appropriate to use Family Preservation funds for the purpose of *preventing adoption disruptions*. However, it is not the intent of this legislation to use Family Preservation and Support Services funds for traditional adoption services. Adoption services are critical services that we support through Federal title IV-E funding, but traditional adoption services are not allowable Family Preservation and Support Services expenditures.

"Placing children for adoption" was included as a family preservation service in the Mississippi Five -Year Child and Family Services Plan. We approved the plan without that realization. Now that this situation has surfaced, we must inform you of the necessary future adjustment in your funding allocations. We regret any inconvenience this adjustment may cause in administration of your service programs. We hope the necessary adjustment in your funding allocations will not result in any

significant disruption of activities. Please feel free to call Ann Fontaine at 404-588-5786 if you have additional questions, or if we can provide any assistance to you in this matter.

Sincerely,

Steven J. Golightly
Regional Administrator/Hub Director
Administration for Children
and Families

Appendix C

Reporting Requirements of the Family Preservation Act

Mississippi's Family Preservation Act (MISS. CODE ANN. Section 43-51-9) requires MDHS to conduct "ongoing evaluations of family preservation services" (which includes the Home Ties program) and to submit a report, on or before December 31 of each year, to the Governor, the Chairman of the Public Health and Welfare and Judiciary Committees of the Senate and House of Representatives and the Chairman of the Select Committee on Juvenile and School-Related Crimes of the House of Representatives. This report is to include the following information for the preceding year:

- a description of the family support and preservation services included in the comprehensive plan;
- the number of families receiving services;
- the number of children at imminent risk of placement before initiation of service in families receiving services;
- among those children in families receiving services, the number placed in foster care, group homes, and other facilities outside the home;
- average cost of services provided under the program;
- estimated cost of out-of-home placement, through foster care, group homes, or other facilities which would otherwise have been expended on behalf of those children who successfully remain united with their families as a result of the program, based on average lengths of stay and average costs of out-of-home placements;
- the number of children who remain unified with their families for one, two, and three years after receiving services;
- an overall statement of the achievements and progress of the program during the preceding year along with recommendations for improvement; and,
- a description of the applications submitted by the department for federal funding and the amount of any grants made based on the applications.

SOURCE: MISS. CODE ANN. Section 43-51-9.

Mississippi Department of Education
Tom Burnham, Ed.D., State Superintendent of Education

Deputy State Superintendent
R. D. Harris
(601) 359-3514

August 25, 1997

Dr. Max Arinder, Executive Director
PEER Committee
222 North President Street
Jackson, MS 39205

Dear Dr. Arinder:

Thank you for the opportunity to respond to PEER staff report on the Mississippi Department of Human Services decision to reduce the level of funding to Mississippi Department of Education for the operation of the Home Ties and Family Preservation Program. We agree with PEER's finding as stated in the report. The Mississippi Department of Education (MDE) regrets that the Mississippi Department of Human Services (MDHS) chose to not only reduce but ultimately to terminate services to hundreds of families which, by all indications, greatly needed the assistance of this highly successful program.

The Home Ties Program during its tenure provided services for **1,054** families, including **2,646** children. There were only 86 children placed in foster care, group homes, or other facilities at state expense while receiving services or after receiving services from the Home Ties Program.

The success of this program stands as a testament and gives credence to the PEER report.

This year's Request for Proposal (RFP) eliminated MDE from the program. The MDE had again this year placed over $100,000.00 within its budget to match program funds and were eliminated from the process by Department of Human Services guidelines. It is with sincere regrets that the Department of Education was not able to request continued funding from Mississippi Department of Human Services. Over the last two years, approximately 27 excellent field workers have been eliminated.

It is the hope of the MDE that the Home Ties Program for Family Preservation will be continued at some level by the Department of Human Services, because of the valuable services provided to children and families of Mississippi.

Sincerely,

R. D. Harris
Deputy State Superintendent

RDH:rba

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STATE OF MISSISSIPPI

DEPARTMENT OF HUMAN SERVICES

Donald R. Taylor
Executive Director

August 27, 1997

Mr. Max Arinder
PEER Committee
222 North President Street
Jackson, Mississippi 39201

Dear Mr. Arinder:

Please find enclosed the Mississippi Department of Human Services' response to PEER's August 12, 1997 report of the Home Ties Program for Family Preservation.

Should you need additional information, please do not hesitate to let me know.

Sincerely,

Donald R. Taylor

DRT:td

Enclosure

The Mississippi Department of Human Services (MDHS) offers the following response to PEER's August 12, 1997, report of the Home Ties Program for Family Preservation with the hope that the reader will discover and understand that the decisions of the MDHS were prudent ones based on concern of the health and welfare of the children involved and the responsibility of the agency to the taxpayers of the state of Mississippi. Although the report confirms that the actions of the MDHS conformed to state and federal law, PEER has determined that the actions taken were not prudent and were without merit. MDHS takes exception to this finding and believes that the information provided PEER investigative staff supports the agency's position. This information is not included in the PEER report. MDHS believes that the inclusion of this information is imperative if one is seeking a comprehensive and objective review. It is with this purpose that the MDHS provides the following information.

Missing Background Information

A:
The report represents that the participation of the State Department of Education (SDE) in this initiative was the result of a legislator's reaction to *MDHS's reluctance to apply for all of the available funds...* and that based on this reluctance the legislator solicited SDE's Bureau of Community and Outreach Services. This statement is factually inaccurate and the MDHS presented written documentation to the contrary.

The MDHS had no prior knowledge of, or contact with, any legislator or legislative effort addressing the Family Preservation or Home Ties initiative. All state legislation dealing with Family Preservation and MDHS was contained in SDE's legislation. Once it was determined that the state would not need the entire amount allowed for planning activities, the Executive Director of MDHS, Mr. Gregg Phillips, contacted the Superintendent of Education, Dr. Tom Burnham, and suggested that he utilize the general funds appropriated to SDE for Home Ties to leverage (draw down) the remaining Family Preservation funds. This telephone conversation was followed up with a letter from Mr. Phillips to Dr. Burnham detailing the benefits of the two agencies working together. A copy of this letter (Enclosure no. 1) was submitted to PEER staff, but the report fails to include it in its Exhibit 5, titled *Chronology of Events Related to Mississippi's Implementation Of The Family Preservation Act of 1994.*

Mississippi's first request for planning services was made on June 28, 1994. In this request, MDHS requested $500,000 of the $1,000,000 available to the state for planning purposes. This federal program was approved after the MDHS appropriation process, therefore no general funds were available for match to draw down the remaining $500,000. The guidelines of the program allowed 100% federal funds for planning, but required 25% state match for services. It is important to note that this was the state's first request for program funding. However, according to the PEER report, *the legislator* contacted SDE and drafted legislation **after** learning of *MDHS's reluctance to apply for all of the available funds.* This statement is in direct contradiction of PEER's own chronology of events (Exhibit 5) wherein it cites that in April of 1994 *The Mississippi Legislature passes the*

Family Preservation Act of 1994 requiring MDHS to work with SDE to participate in a comprehensive planning process for the Home Ties program.

Considering this sequence of events, the statements made in the PEER report (page 12) regarding the timing and role of *the legislator* is erroneous and should be omitted in its entirety. Instead this section should reflect that the MDHS solicited the SDE to participate. The chronology of events listed in the report as found in Exhibit 5 (page 29) should be corrected to include the June 28, 1994 letter from Mr. Gregg Phillips to Dr. Tom Burnham.

B:

Another major point that the PEER report does not cover is the role of the Family Preservation Steering Committee and the fact that the SDE was a charter member of this committee and that the Five Year Plan submitted by the state for federal approval was approved by this committee. It is this plan that contained the provision that allowed MDHS to utilize program funds for adoption staff salaries.

C:

Of particular concern to the MDHS is the absence of any reference or citations to the terms and conditions of the contractual agreement executed between the SDE and the MDHS for the Home Ties Program. The PEER report cites that the MDHS claimed that SDE's failure to close out the contract within the time allotted under federal regulations as one reason for canceling the contract, but that there was no written proof of MDHS giving SDE notice of any such federal regulations. MDHS agrees that this was one reason for canceling the agreement, but disagrees with the statement that written documentation was not presented.

The Memorandum of Agreement (MOA) with the SDE stated that *all such funds shall be expended in accordance with Federal and State guidelines.* This would include both the terms and conditions for the grant award and the MDHS Sub-grantee Manual.

The grant awards, which were furnished to PEER staff upon request, are clear that Federal funds under this program must be expended by September 30 of a given year. As the end of the first year approached and expenditure information was not forthcoming from SDE, MDHS contacted our Federal Financial Analyst and received a fax which defined "expended" for purposes of this grant. A copy of this was shared by fax with SDE at that time. It may be plausible for SDE to claim that it had an excuse for not reporting expenditures timely in Year 1, but based on the information furnished SDE on September 20, 1995, from ACF in Atlanta, that is unlikely. However, SDE did comply with the guidelines in Year 1, but it absolutely precludes the possibility that is was not known in Year 2 or Year 3 based on the Year 1 experience.

All MDHS MOAs and Sub-grantees are subject to the MDHS Sub-grantee Manual which is considered by MDHS to be a State guideline. Reporting requirements and closeout procedures are

spelled out in the Manual. It is a Sub-grantee's responsibility to become familiar with the Manual and its requirements. It should be noted that SDE's failure to comply with these guidelines costs the taxpayers approximately $90,000 in state general funds that would have otherwise been eligible for federal participation if the rules had been observed.

It is the opinion of MDHS that these written agreements between the two agencies constitute ample *written proof* of MDHS's effort to notify SDE of its obligation to follow proper state and federal guidelines. The contracts, agreements and manuals were furnished PEER staff upon request during the investigation. Based on the existence of this written proof, MDHS believes that the statement contained in the PEER report citing a lack thereof should be omitted.

D:
Paramount to this matter is the overriding importance of ensuring the safety and well-being of the children involved. During interviews with PEER staff, Family and Children Services staff expressed concern that the services being rendered were not appropriate for the children being served. Of primary concern was the claim of SDE that children at imminent risk of placement outside of the home were being served without being referred, as required under state law, to MDHS. Through the course of program review it was also discovered that the subcontractors of SDE were not enlisting the services of licensed social workers in the provision of the services being rendered. Mississippi law is very clear in regard to the license requirements for those rendering such services.

On page 16 of the PEER report, the job descriptions of those employed is cited. According to PEER; *Each of the five Home Ties pilot project sub-grantees hired one Senior Program Specialist and three Program Specialists to administer the program. Program Specialists preferably are licensed social workers and have either a master's degree in education or a related field, or a bachelor's degree with at least two years' teaching experience or experience working with children and families.* MDHS believes that this alone is justification to question the safety and well-being of the children being served. And that its actions were prudent in this regard.

As required by the Youth Court Act, under the reporting law, school officials must make a report of abuse/neglect if there is even suspicion of such activity that may put a child at imminent risk of placement into foster care. The majority of referrals to the Home Ties Program were made by educators without subsequent reports being made to MDHS. According to the program mandate, which states that the program is to serve children at imminent risk of placement into foster care, a referral of possible abuse/neglect should have been made to MDHS.

The PEER report does not reference these concerns. Nor does it recognize the statutory responsibility of MDHS to ensure the safety and well-being of children in the state. MDHS believes it not only acted in a prudent manner , but was in fact following the law as prescribed by the state of Mississippi when it terminated its contractual relationship with SDE for these services.

Response to Report Text

Upon review of the PEER report, MDHS identified several statements and/or assumptions that it believes are unfounded and/or erroneous. MDHS offers the following comments.

A:
On page 5 under the topic *Purpose and Origin*, PEER states that *Another purpose is to ensure safe placement for the child at the lowest possible cost. According to SDE's FY95 Home Ties annual report, the average total cost to the state for a child in foster care is $7,358 and the average yearly cost for a child in out-of-state residential treatment is $187,544. The Home Ties Program is intended to minimize use of such out-of-home placements.*

Children in out-of-home residential treatment are there due to serious emotional disturbances that include sexually acting out and low IQ with behavioral problems. The Home Ties Program is not designed to provide mental health treatment to any child, much less this population of children whose needs cannot be met by mental health professionals within the state and certainly not by those employed by Home Ties. The statement is very misleading and totally inaccurate. The program is intended to prevent out-of-home placement by stabilizing the family situation in such a way that a child can safely remain in the home free from the threat of abuse/neglect.

B:
The PEER report states on page 38 that *According to HHS, MDHS's use of $477,000 in federal preservation funds for fourteen adoption workers' salaries is not an appropriate use of funds under the Family Preservation and Support Services Act.* This statement is incorrect in that the letter for HHS did not state that MDHS's action was *not an appropriate use of funds*. In a letter dated June 26, 1997, the regional administrator informed MDHS's Executive Director that although Mississippi was in accord with the literal interpretation of the law, it should have followed the intent instead. As stated in the report, MDHS acted with the approval of HHS. Considering this, MDHS believes that any reference to MDHS's inappropriate use of funds relating to this matter should be omitted from the report entirely.

C:
PEER states on page 24 of the report that *MDHS's decision to reduce funding to the Home Ties Program was not prudent.* MDHS takes exception to the charge that it reduced funding to the program. As stated in the report, Section 23 of house Bill 1629, 1996 Regular Session, states: "Of the funds appropriated in Section 1 {i.e., state general funds appropriated to SDE} for the Family Preservation Program, the State Department of Education shall receive and administer all matching federal funds generated and that are provided in agreement and in contract with the Department of Human Services and the federal government.".

A review of this bill reveals that no general funds were appropriated for the Family Preservation

Program. According to PEER, SDE's Budget Officer stated the Legislature earmarked $100,000 in general funds to SDE for this program. MDHS can find no language in the bill earmarking any funds for Family Preservation. It is the opinion of MDHS that a decision to reduce funding to the Home Ties Program was that of the legislature and not that of MDHS. Based on this, MDHS believes that any reference or charge that MDHS reduced funding to Home Ties should be omitted entirely.

Conclusion

The MDHS agrees that program evaluation is an important element of any initiative and particularly for pilot programs. However, when faced with continuing programs for the sake of evaluation in the face of jeopardy to the safety and well-being of the children being served, a lack of fiscal accountability on the part of the sub-grantee and noncompliance to state law, MDHS believes the prudent thing to do is to terminate the relationship immediately.

STATE OF MISSISSIPPI

file:
Family
Preservation

DEPARTMENT OF HUMAN SERVICES

Gregg A. Phillips
Executive Director

September 1, 1994

Dr. Tom Burnham
State Superintendent
Department of Education
501 Sillers Building
Jackson, Mississippi 39201

Dear ~~Dr. Burnham~~ Tom:

We were pleased to find out that the state legislature appropriated to the State Department of Education $288,000 for the Home Ties Program.

The Department of Human Services expects approval of its Family Preservation Planning Grant of approximately 1 million dollars by September 30, 1994. We look forward to your department's cooperation in formulating this plan. As you may be aware, there are federal dollars available to implement services for FY '94.

Unfortunately, we do not have the spending authority for any new state money to meet the 80/20 match to provide these services. Therefore, I suggest that we use the $288,000 appropriated to the State Department of Education from the Legislature to meet the federal match. By leveraging these general fund dollars, the Home Ties program would have available approximately $1 million to implement pilot programs, in tandem with the planning process.

I propose that the State Department of Education administer these pilot programs and allow the Department of Human Services to serve as a conduit for the available federal funding. In our consultation with the regional Health and Human Services representatives, we feel confident they will allow us to amend our planning application grant to include the provision of services.

Enclosure no. 1

Please let this letter serve as our commitment to obtain enhanced funding through Health and Human Services sources. The final terms of this agreement will be negotiated between DHS and State Department of Education to identify and clarify each department's role.

Sincerely,

Gregg A. Phillips

GAP:bac

PEER's Clarification of Issues Raised in MDHS's Response to This Report

Preface

PEER does not typically include a written response to an agency's response in one of its published reports. In this case, a written PEER response was necessitated by the fact that MDHS, in its 8/27/97 response:

- alleged that PEER's report was not comprehensive and objective and contained several "unfounded and/or erroneous" statements and assumptions; and,
- introduced new explanations for its decision to reduce funding to the Home Ties program, especially the serious allegation that the Home Ties program jeopardized the "safety and well-being of the children being served," and that SDE, in its administration of the Home Ties program, lacked fiscal accountability and failed to comply with state law.

To defend these claims, MDHS included statements which, on follow-up, PEER found to be inaccurate and misleading. PEER's analysis of the flaws in MDHS's response are addressed in the discussion which follows.

Issues Raised in the MDHS Response

MDHS's response alleges that PEER's review of MDHS's decision to reduce the level of funding to SDE for operation of the Home Ties program was not comprehensive and objective because it omitted information which would have shown that MDHS's action to reduce funding to the program was prudent. MDHS claims that it based its decision to reduce funding to the Home Ties program on:

- "concern of the health and welfare of the children involved;"
- "the responsibility of the agency *[MDHS]* to the taxpayers of the state of Mississippi" ("a lack of fiscal accountability on the part of the sub-grantee"); and,
- "noncompliance *[of SDE]* to state law."

The primary flaws in MDHS's arguments are that:

- MDHS provides insufficient documentation to support its allegations;
- documentation from SDE, HHS, and the Behavioral Sciences Institute disproves MDHS's allegations; and,
- if MDHS had been able to document its allegations, its decision to reduce funding would still have been imprudent, as the prudent

course of action for MDHS, as grantee, would have been to terminate its sub-grant to SDE.

None of the arguments which MDHS presented in its response threaten the validity of PEER's conclusion that MDHS's decision to reduce the level of funding to the Home Ties program was not prudent. More specifically, MDHS's decision was not prudent because:

- the Home Ties program was established as a five-year pilot program and MDHS reduced funding to the program only fifteen months into its existence;
- the legally required evaluation of the program's effectiveness was not complete;
- early program data showed that the program was exceeding its goal of preventing the out-placement of children in 70% of the cases served; and,
- MDHS used federal funds taken from the Home Ties program to pay the salaries of MDHS adoption social workers, a use which the federal Department of Health and Human Services ruled was inappropriate.

PEER's Analysis and Discussion of MDHS's Allegations

Allegation 1: The Home Ties program jeopardized the safety and well-being of the children which it served

MDHS bases its concern over the safety and well-being of children served by the Home Ties program on the following claims:

- the services being rendered through the Home Ties program were not appropriate for the children being served;
- SDE was serving children at imminent risk of placement outside of the home without referring them to MDHS, as required by state law; and,
- the subcontractors of SDE were not enlisting the services of licensed social workers in the provision of the services being rendered.

Issue 1: Inappropriate services

MDHS did not elaborate on the claim that the services being rendered through the Home Ties program were not appropriate for the children being served--i.e., the department did not explain which services were not appropriate, by what standard they were not appropriate, and how such services jeopardized the safety and well-being of the children being served.

While MDHS failed to elaborate on its "appropriateness" argument in its response, during PEER's fieldwork, MDHS staff repeatedly told PEER staff that Home Ties workers were mainly helping with housecleaning and spraying for roaches. The tone of their comments was that these were not appropriate activities for a program designed to prevent the out-of-home placement of children. Further, MDHS staff said that they did not believe that a child at imminent risk of out-placement could truly be helped in the short four- to six-week period characteristic of the Home Ties program.

Basis for PEER's Conclusion on Inappropriate Services--MDHS staff provided inadequate documentation showing that it had objectively assessed the types of services which Home Ties workers were performing. In contrast to MDHS's lack of program activity data, SDE presented PEER staff with monthly reports categorizing the number of service hours rendered by Home Ties Program Specialists for each pilot site, by type of service--e.g. intake, individual counseling, family counseling, evaluation, telephone counseling, advocacy, concrete services, case consultation, assessment, after-hour services, linkage/referral, follow-up/monitoring, parent education, client-related travel, client phone consultation, and case management.

In activity reports reviewed by PEER for the period May through September 1996, concrete services, such as housecleaning services, represented a small percentage (2%) of total service hours rendered. SDE made this service data available to MDHS for analysis, but no evidence exists to show that MDHS staff attempted to analyze the data objectively and provide feedback to SDE of negative or questionable trends in the breakdown of Home Ties service activities.

Further, PEER found that assistance with housecleaning is an appropriate service under the Homebuilders model. Behavioral Sciences Institute IFPS Standard 21, "Concrete and Advocacy Services," lists "cleaning and household chores" as examples of concrete services which IFPS practitioners [Home Ties workers] provide to their clients.

Basis for PEER's Conclusion on Program Length--With respect to the MDHS staff's belief that four to six weeks was not long enough to keep a child at imminent risk of out-placement from being taken out of the home, PEER found that the Homebuilders model, the basis of Home Ties and the concept being tested by SDE, is a short-term model with a history of positive results. Behavioral Sciences Institute IFPS Standard 6, "Brevity of Services," states "IFPS program experience has demonstrated that with four to six weeks of IFPS service, a high percentage of client families (usually between 70% and 95%) can learn skills and attain goals sufficient to prevent the placement of their children."

Issue 2: Not referring abused/neglected children to MDHS as required by law

In its response, MDHS claims that "the majority of referrals to the Home Ties Program were made by educators without subsequent reports

being made to MDHS." MDHS accuses SDE of violating the provision of the Youth Court Act (MISSISSIPPI CODE ANNOTATED, Section 43-21-353), which requires the reporting to MDHS of all cases where there is reasonable cause to suspect that a child is abused or neglected.

Ironically, in May 1996, in a letter to SDE, MDHS accused SDE of only accepting MDHS clients for services. At that time, SDE responded that while most referrals to the Home Ties program were made by MDHS, all referrals are assessed within twenty-four hours and:

> *If the referral is from a source other than [M]DHS, the [Home Ties Program] Specialist must report the assessment finding to [M]DHS, as required by the above-referenced law [Mississippi Code Annotated, Section 43-21-353]. [M]DHS will confirm that the child is at imminent risk of removal from the home. If [M]DHS does not confirm the child is at imminent risk of removal, the Specialist will refer the family to another agency or program for less intensive services, if applicable.*

This letter clearly communicates SDE's knowledge of and commitment to follow the reporting requirement contained in the Youth Court Act. MDHS did not provide PEER with documentation of any of the cases of alleged abuse and neglect which SDE allegedly failed to report to MDHS or how the department was made aware of the alleged cases, if not by SDE. Finally, MDHS provided no documentation that it attempted to rectify any such alleged problem by formally communicating with SDE.

Issue 3: Subcontractors not enlisting the services of licensed social workers

SDE did not require Home Ties program specialists to be licensed social workers because this was not a requirement of the Behavioral Sciences Institute, which originated the Homebuilders model, on which the Home Ties program was based. The Institute requires Homebuilders program specialists to have a bachelor's degree in social work, psychology, counseling or a closely allied field and two years' experience working with children and families in crisis. These requirements mirror the minimum qualifications established by SDE for Home Ties program specialists (see page 16 of the report). Of the twenty Home Ties program specialists employed at the five pilot sites in July 1996, ten were licensed social workers, while the remainder, with one exception, had social work or related degrees, including advanced degrees in counseling and related experience. The one exception was a coach/teacher whose resume indicated no counseling experience, although the December 1995 Home Ties Evaluation report compiled by SDE stated that this individual had four years of experience in "case management."

SDE provided to MDHS a breakdown of the qualifications of each Home Ties program specialist in its first Home Ties Annual Report (for calendar year 1995). This report clearly indicated which of the workers were licensed social workers and which were not. Further, MHDS included a copy of the 1995 Home Ties Annual Report (including the Home Ties program specialist qualifications) in its August 1996 Annual Progress and Services Report to

HHS. MDHS never mentioned to SDE that it was a problem that half of the Home Ties program specialists were not licensed social workers. While MDHS now claims that the fact that half of the Home Ties workers were not licensed social workers jeopardized the safety and well-being of the children being served, MDHS was aware of this from the time that the workers were hired and never did anything to change the situation.

Issue 4: Alleged concern over the safety and well-being of children served by Home Ties program not reflected in MDHS actions

The concern which MDHS expresses over the safety and well-being of the children being served by the Home Ties program was not reflected in the department's actions as grant administrator--i.e.,:

- MDHS never communicated its concerns over "inappropriate" Home Ties activities and "unqualified" Home Ties staff to SDE in writing. The only written documentation in which MDHS informed SDE of the need to refer children at imminent risk of outplacement to MDHS was in the form of an attachment to the July 1996 funding letter from MDHS to SDE, wherein MDHS included as one of ten "requests" the request that the plan include *"a stipulation that when a referral is made by someone other than MDHS, MDHS should be notified of the situation immediately."*

- In its decision to reduce funding to SDE in FFY 97, MDHS did not express a concern over the safety and well-being of children being served as grounds for the reduction in funding.

- Throughout the period when the alleged problems with SDE's operation of the Home Ties program were occurring, MDHS continued to sub-grant with SDE for operation of the program and even sent a Request for Proposals to SDE for continued program funding in FFY 98. Although MDHS now claims that the prudent thing to do was to "terminate the relationship [with SDE] immediately," it was SDE which elected to terminate the relationship with MDHS because MDHS made program changes in its FFY 98 Home Ties RFP which effectively terminated the program as one based on the Homebuilders model.

MDHS's allegation that the Home Ties program jeopardized the safety and well-being of the children which it served is a very serious allegation, but one for which the department provides no written documentation. If MDHS had documentation of such a problem, the department would have been negligent for not terminating its contract with SDE.

Allegation 2: SDE demonstrated a lack of fiscal accountability in handling the Home Ties sub-grants

In its response, MDHS claims that SDE demonstrated a "lack of fiscal accountability" by failing to meet the federal grant close-out deadline of

September 30, 1996 for the liquidation of FFY 95 federal grant funds. MDHS claims that this failure resulted in a cost to the taxpayers of "approximately $90,000 in state general funds that would have otherwise been eligible for federal participation if the rules had been observed." MDHS claims that SDE was made aware of the September 30 close-out deadline through "contracts, agreements, and manuals" which required SDE to "follow proper state and federal guidelines."

MDHS's "lack of fiscal accountability argument" is flawed for several reasons. First, MDHS is incorrect in its allegation that SDE cost taxpayers $90,000 in state general funds because of their alleged failure to meet the September 30, 1996, close-out deadline for liquidation of FFY 95 federal grant funds. In fact, the amount of FFY 96 Home Ties program expenditures which were not reimbursed with federal FFY 95 grant funds was $54,210.67, not $90,000. Further, SDE used no general funds to reimburse the $54,210.67 in FFY 96 expenses incurred by its Home Ties sub-contractors, which MDHS refused to reimburse with FFY 95 grant funds. Rather, $32,049.63 in FFY 96 federal grant funds and $22,161.04 in special funds from SDE conference fee collections were used to pay the $54,210.67 in outstanding FFY 96 requests for reimbursement.

Second, MDHS failed to communicate to SDE a deadline for submission of requests for reimbursement of FFY 95 grant fund expenditures which would have allowed MDHS sufficient time to meet the September 30, 1996 liquidation deadline. Federal regulations clearly place the burden of communicating appropriate fiscal deadlines on the grantee (i.e., on MDHS). Specifically, 45 CFR 92.37 requires the grantee to ensure that subgrantees (in this case, SDE) are aware of requirements imposed upon them by Federal statutes and regulations. A reporting deadline which coincides with the close of a fiscal year is highly unusual at both the state and federal level of government (both of which typically allow a period following the close of a fiscal year for the reporting of expenditures incurred during the fiscal year) and therefore would have required extraordinary effort on the part of MDHS to communicate this deviation from normal practice and to communicate MDHS's procedure for dealing with the unusual end-of-year liquidation deadline. MDHS made no such effort, as documented in its response wherein MDHS claims that SDE should have known the close-out procedures because it signed a Memorandum of Agreement with MDHS requiring SDE to expend funds in accordance with federal and state guidelines.

In fact, the Memorandum of Agreement signed by MDHS and SDE not only fails to specify a deadline prior to September 30 for the submission of requests for reimbursement by SDE, but specifies a contract performance period of October 1 through September 30. The only way that obligations could be liquidated by September 30 under such a contract would be to advance funds to SDE for performance of services during the end of the contract year. While this option is mentioned in the Memorandum of Agreement; i.e., sums shall be made available by MDHS to SDE "on a cost reimbursement basis with appropriate cash advances," MDHS did not provide cash advances to SDE. If, for accountability's sake, MDHS wanted documentation of expenditures in hand prior to reimbursing SDE (rather than advancing federal funds to SDE and allowing SDE to expend the funds according to its own timetable), MDHS

should have made it clear, in writing, that all FFY 96 expenditures had to be reimbursed by MDHS by September 30. In the service contract executed for the following federal fiscal year (i.e., FFY 97), MDHS did cut short SDE's period of performance for provision of Home Ties services from October 1, 1996, through August 31, 1997 (rather than October 1 through September 30), thereby allowing a thirty day close-out period for liquidating August obligations. Also, the FFY 97 contract for services (unlike previous contracts) contained a separate Section C, requiring the contractor [SDE] to submit invoices/documentation of all contract items to MDHS monthly, with the final report or documentation being submitted on or before the contract closing date of August 31, 1997).

MDHS further claims that its sub-grantee manual contained requirements regarding grant close-outs. In fact, the manual was not published until October 1, 1996, and was not distributed to SDE until February 1997. Further, the manual does not state that close-out packages must be received by September 30, as contended by MDHS, but rather states that closeout packages must be received "by the appropriate MDHS programmatic division **45 calendar days** [emphasis added] from the termination date of subgrant."

Although MDHS accuses SDE of fiscal irresponsibility, MDHS used FFY 95 grant funds to reimburse expenses incurred by SDE during FFY 96, after September 30, 1996, in direct violation of the September 30, 1996 liquidation deadline. Specifically, on October 17, 1996, SDE sent a memo to MDHS requesting federal FFY 95 grant funds totaling $67,902.94 as reimbursement for Home Ties program expenses incurred during August of 1996. On October 29, 1996, MDHS requested Mississippi's Department of Finance and Administration to transfer $67,903 in FFY 95 federal grant funds to SDE, which DFA did on the same day.

Reducing the amount of a sub-grantee's annual grant award as "punishment" for alleged fiscal irresponsibility is not a prudent action. If MDHS had proof of such, the department should have ceased sub-contracting with the agency rather than reducing the funding level. As was true of the issue of alleged jeopardy to the safety and well-being of children being served by the Home Ties program, MDHS did not cite in its July 1996 funding letter to SDE fiscal irresponsibility (i.e., alleged failure to meet a closing date) as a reason for reducing the amount of SDE's FFY 97 sub-grant.

Allegation 3: SDE failed to follow state law in handling the Home Ties sub-grant

MDHS makes no separate discussion in its response of the topic of SDE's alleged failure to follow state law. This allegation appears to be a restatement of other allegations which have already been discussed above.

Conclusion

In its response, MDHS attempts to defend its decision to reduce funding to SDE for operation of the Home Ties program as being prudent by arguing that SDE was not only incompetent in its administration of the Home Ties sub-grant, but jeopardized the safety and well-being of the children which it served through the program. By relying on this argument, MDHS has cornered itself into an untenable position. The only course of action which MDHS could justify, given the seriousness of its allegations, would have been to terminate its contract with SDE; however, MDHS did not terminate its contract with SDE, despite the fact that MDHS claims these conditions allegedly existed from the first program year. Further, MDHS continued to send SDE requests for proposals for operation of the Home Ties program as late as for FFY 98. Finally, it was SDE's decision, not MDHS's, to terminate participation in the Home Ties program, due to MDHS's decision (which PEER criticized for not having been properly researched and evaluated) to abandon the Homebuilders model as a basis for Mississippi's Home Ties program.

None of the arguments which MDHS presented in its response threaten the validity of PEER's conclusion that MDHS's decision to reduce the level of funding to SDE for operation of the Home Ties program was not prudent because the program's effectiveness had not been fully evaluated and early results indicated that the program was highly successful in meeting its goal of preventing the unnecessary out of home placement of at-risk children.

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